

2019 DRAFTING REQUEST

Bill

For: **Administration-Budget** Drafter: **jkreye**
 By: **Quinn** Secondary Drafters:
 Date: **12/10/2018** May Contact:

Same as LRB:

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

Pre Topic:

DOA:.....Quinn, BB0142 -

Topic:

Internal Revenue Code update

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P1	jkreye 2/14/2019	ccarmich 12/14/2018	dwalker 12/14/2018		State Tax Exempt
/P2		ccarmich 2/14/2019	lparisi 2/14/2019		State Tax Exempt

FE Sent For: **<END>**

Kreye, Joseph

From: Hanaman, Cathlene
Sent: Monday, December 10, 2018 8:32 AM
To: Kreye, Joseph; Lunder, Erika; Shovers, Marc
Subject: FW: Statutory Language Drafting Request - 2019-21
Attachments: Income - IRC Update - Drafting Instructions.docx

From: Quinn, Brian D - DOA <Brian.Quinn@wisconsin.gov>
Sent: Sunday, December 09, 2018 1:23 PM
To: Hanaman, Cathlene <Cathlene.Hanaman@legis.wisconsin.gov>
Cc: Ziegler, Paul - DOA <Paul2.Ziegler@wisconsin.gov>; Quinn, Brian D - DOA <Brian.Quinn@wisconsin.gov>
Subject: Statutory Language Drafting Request - 2019-21

Biennial Budget: 2019-21

Topic: Internal Revenue Code Update

Tracking Code: BB0142

SBO Team: TLGED

SBO Analyst: Quinn, Brian D - DOA
Phone: (608) 266-1923
E-mail: brian.quinn@wisconsin.gov

Agency Acronym: 566

Agency Number: 566

Priority: Medium

Intent:

See attached instructions.

Attachments: True

Please send completed drafts to SBOSatlanguage@spmail.enterprise.wistate.us

DRAFTING INSTRUCTIONS FOR IRC UPDATE

1. Repeal secs. 71.01(6)(c), 71.22(4)(c) and (4m)(c), 71.26(2)(b)3., 71.34(1g)(c), and 71.42(2)(c)

2. Amend secs. 71.01(6)(k)3. and (L)1. and 4., 71.22(4)(k)3. and (L)1. and 4. and (4m)(k)3. and (L)1. and 4., 71.26(2)(b) 10.d., 11.d., and 12.a. and e., 71.34(1g)(k)3. and (L)1. and 4., and 71.42(2)(k)3. and (L)1. and 5. to read:

71.01 (6) (k) 3. For purposes of this paragraph, "Internal Revenue Code" does not include amendments to the federal Internal Revenue Code enacted after December 31, 2016, except that "Internal Revenue Code" includes sections 11024, 11025, and 13543 of P.L. 115-97 and sections 40307 and 40413 of P.L. 115-123.

(L) 1. For taxable years beginning after December 31, 2017, and before January 1, 2019, for individuals and fiduciaries, except fiduciaries of nuclear decommissioning trust or reserve funds, "Internal Revenue Code" means the federal Internal Revenue Code as amended to December 31, 2017, except as provided in subds. 2. and 3. and s. 71.98 and subject to subd. 4.

4. For purposes of this paragraph, the provisions of federal public laws that directly or indirectly affect the Internal Revenue Code, as defined in this paragraph, apply for Wisconsin purposes at the same time as for federal purposes, except that changes made by P.L. 115-63 and section 11026, 11027, 11028, 13207, 13306, 13307, 13308, 13311, 13312, 13501, 13705, 13821, and 13823 of P.L. 115-97 first apply for taxable years beginning after December 31, 2017.

71.22 (4) (k) 3. For purposes of this paragraph, "Internal Revenue Code" does not include amendments to the federal Internal Revenue Code enacted after December 31, 2016, except that "Internal Revenue Code" includes sections 11024, 11025, and 13543 of P.L. 115-97 and sections 40307 and 40413 of P.L. 115-123.

(L) 1. For taxable years beginning after December 31, 2017, and before January 1, 2019, "Internal Revenue Code" means the federal Internal Revenue Code as amended to December 31, 2017, except as provided in subds. 2. and 3. and subject to subd. 4., and except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34 (1g), 71.42 (2), and 71.98.

4. For purposes of this paragraph, the provisions of federal public laws that directly or indirectly affect the Internal Revenue Code, as defined in this paragraph, apply for Wisconsin purposes at the same time as for federal purposes, except that changes made by P.L. 115-63 and section 11026, 11027, 11028, 13207, 13306, 13307, 13308, 13311, 13312, 13501, 13705, 13821, and 13823 of P.L. 115-97 first apply for taxable years beginning after December 31, 2017.

(4m) (k) 3. For purposes of this paragraph, "Internal Revenue Code" does not include amendments to the federal Internal Revenue Code enacted after December 31, 2016, except that "Internal Revenue Code" includes sections 11024, 11025, and 13543 of P.L. 115-97 and sections 40307 and 40413 of P.L. 115-123.

71.22(4m)

(L) 1. For taxable years beginning after December 31, 2017, and before January 1, 2019, "Internal Revenue Code", for corporations that are subject to a tax on unrelated business income under s. 71.26 (1) (a), means the federal Internal Revenue Code as amended to December 31, 2017, except as provided in subds. 2. and 3. and s. 71.98 and subject to subd. 4.

4. For purposes of this paragraph, the provisions of federal public laws that directly or indirectly affect the Internal Revenue Code, as defined in this paragraph, apply for Wisconsin purposes at the same time as for federal purposes, except that changes made by P.L. 115-63 and section 11026, 11027, 11028, 13207, 13306, 13307, 13308, 13311, 13312, 13501, 13705, 13821, and 13823 of P.L. 115-97 first apply for taxable years beginning after December 31, 2017.

71.26(2)(k)

10. d. For purposes of subd. 10. a., "Internal Revenue Code" does not include amendments to the federal Internal Revenue Code enacted after December 31, 2013, except that "Internal Revenue Code" includes the provisions of P.L. 113-97, P.L. 113-159, P.L. 113-168, section 302901 of P.L. 113-287, sections 171, 172, and 201 to 221 of P.L. 113-295, sections 102, 105, and 207 of division B of P.L. 113-295, P.L. 114-14, P.L. 114-26, section 2004 of P.L. 114-41, sections 503 and 504 of P.L. 114-74, sections 103, 104, 124, 168, 184, 185, 190, 204, 303, 306, 336, and 341 of division Q of P.L. 114-113, ~~and~~ P.L. 114-239, sections 101 (m), (n), (o), (p), and (q) and 104 (a) of division U of P.L. 115-141.

11. d. For purposes of subd. 11. a., "Internal Revenue Code" does not include amendments to the federal Internal Revenue Code enacted after December 31, 2016, except that "Internal Revenue Code" includes sections 11024, 11025, and 13543 of P.L. 115-97 and sections 40307 and 40413 of P.L. 115-123.

12. a. For taxable years beginning after December 31, 2017, and before January 1, 2019, for a corporation, conduit, or common law trust which qualifies as a regulated investment company, real estate mortgage investment conduit, real estate investment trust, or financial asset securitization investment trust under the Internal Revenue Code, "net income" means the federal regulated investment company taxable income, federal real estate mortgage investment conduit taxable income, federal real estate investment trust or financial asset securitization investment trust taxable income of the corporation, conduit, or trust as determined under the Internal Revenue Code.

e. For purposes of subd. 12. a., the provisions of federal public laws that directly or indirectly affect the Internal Revenue Code, as defined in this subdivision, apply for Wisconsin purposes at the same time as for federal purposes, except that changes made by P.L. 115-63 and sections 11026, 11027, 11028, 13207, 13306, 13307, 13308, 13311, 13312, 13501, 13705, 13821, and 13823 of P.L. 115-97 first apply for taxable years beginning after December 31, 2017.

71.34(1g)

(k) 3. For purposes of this paragraph, "Internal Revenue Code" does not include amendments to the federal Internal Revenue Code enacted after December 31, 2016, except that "Internal Revenue Code" includes sections 11024, 11025, and 13543 of P.L. 115-97 and sections 40307 and 40413 of P.L. 115-123.

71.37 (1g) / (L) 1. For taxable years beginning after December 31, 2017, and before January 1, 2019, for tax option corporations, "Internal Revenue Code" means the federal Internal Revenue Code as amended to December 31, 2017, except as provided in subds. 2., 3., and 5. and s. 71.98 and subject to subd. 4.

4. For purposes of this paragraph, the provisions of federal public laws that directly or indirectly affect the Internal Revenue Code, as defined in this paragraph, apply for Wisconsin purposes at the same time as for federal purposes, except that changes made by P.L. 115-63 and sections 11026, 11027, 11028, 13207, 13306, 13307, 13308, 13311, 13312, 13501, 13705, 13821, and 13823 of P.L. 115-97 first apply for taxable years beginning after December 31, 2017.

71.12(2) / (k) 3. For purposes of this paragraph, "Internal Revenue Code" does not include amendments to the federal Internal Revenue Code enacted after December 31, 2016, except that "Internal Revenue Code" includes sections 11024, 11025, and 13543 of P.L. 115-97 and sections 40307 and 40413 of P.L. 115-123.

(L) 1. For taxable years beginning after December 31, 2017, and before January 1, 2019, "Internal Revenue Code" means the federal Internal Revenue Code as amended to December 31, 2017, except as provided in subds. 2. to 4. and s. 71.98 and subject to subd. 5.

5. For purposes of this paragraph, the provisions of federal public laws that directly or indirectly affect the Internal Revenue Code, as defined in this paragraph, apply for Wisconsin purposes at the same time as for federal purposes, except that changes made by P.L. 115-63 and sections 11026, 11027, 11028, 13207, 13306, 13307, 13308, 13311, 13312, 13501, 13705, 13821, and 13823 of P.L. 115-97 first apply for taxable years beginning after December 31, 2017.

3. Create secs. 71.01(6)(j)3.m. and (m) and (7g), 71.22(4)(j)3.m. and (m), (4m)(j)3.m. and (m), and (5g), 71.26(2)(b)13. and 14., 71.34(1g)(j)3.m. and (m) and (1u), and 71.42(2)(j)3.m. and (m) and (2p) to read:

71.01 (6) (j) 3. m. Sections 101 (m), (n), (o), (p), and (q) and 104 (a) of division U of P.L. 115-141.

(m) 1. For taxable years beginning after December 31, 2018, for individuals and fiduciaries, except fiduciaries of nuclear decommissioning trust or reserve funds, "Internal Revenue Code" means the federal Internal Revenue Code as amended to December 31, 2018, except as provided in subds. 2. and 3. and s. 71.98 and subject to subd. 4.

2. For purposes of this paragraph, "Internal Revenue Code" does not include the following provisions of federal public laws for taxable years beginning after December 31, 2018: section 13113 of P.L. 103-66; sections 1, 3, 4, and 5 of P.L. 106-519; sections 101, 102, and 422 of P.L. 108-357; sections 1310 and 1351 of P.L. 109-58; section 11146 of P.L. 109-59; section 403 (q) of P.L. 109-135; section 513 of P.L. 109-222; sections 104 and 307 of P.L. 109-432; sections 8233 and 8235 of P.L. 110-28; section 11 (e) and (g) of P.L. 110-172; section 301 of P.L. 110-245; section 15351 of P.L. 110-246; section 302 of division A, section 401 of division B, and sections 312, 322, 502 (c), 707, and 801 of division C of P.L. 110-343; sections 1232, 1241, 1251, 1501, and 1502 of division B of P.L. 111-5; sections 211, 212, 213, 214, and 216 of P.L. 111-226; sections 2011 and 2122 of P.L. 111-240; sections 753, 754, and 760 of P.L.

111-312; section 1106 of P.L. 112-95; sections 104, 318, 322, 323, 324, 326, 327, and 411 of P.L. 112-240; P.L. 114-7; section 1101 of P.L. 114-74; section 305 of division P of P.L. 114-113; sections 123, 125 to 128, 143, 144, 151 to 153, 165 to 167, 169 to 171, 189, 191, 307, 326, and 411 of division Q of P.L. 114-113; sections 11011, 13201 (a) to (e) and (g), 13801, 14101, 14102, 14103, 14201, 14202, 14211, 14212, 14213, 14214, 14215, 14221, 14222, 14301, 14302, 14304, and 14401 of P.L. 115-97; sections 40304, 40305, 40306, and 40412 of P.L. 115-123; section 101 (c) of division T of P.L. 115-141; and sections 101 (d) and (e), 102, 201-207, 301, 302, and 401 (a) (47) and (195), (b) (13), (17), (22) and (30), and (d) (1) (D) (v), (vi), and (xiii) and (xvii) (II) of division U of P.L. 115-141.

3. For purposes of this paragraph, "Internal Revenue Code" does not include amendments to the federal Internal Revenue Code enacted after December 31, 2018.

4. For purposes of this paragraph, the provisions of federal public laws that directly or indirectly affect the Internal Revenue Code, as defined in this paragraph, apply for Wisconsin purposes at the same time as for federal purposes, except that changes made by sections 20101, 20102, 20104, 20201, 40201, 40202, 40203, 40308, 40309, 40311, 40414, 41101, 41107, 41115, and 41116 of P.L. 115-123 and section 101 (a), (b), and (h) of division U of P.L. 115-141 apply for taxable years beginning after December 31, 2018.

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71.01
/ (7g) For purposes of s. 71.01 (6) (b), 2013 stats., "Internal Revenue Code" includes section 109 of division U of P.L. 115-141.

/ 71.22 (4) (j) 3. m. Sections 101 (m), (n), (o), (p), and (q) and 104 (a) of division U of P.L. 115-141.

/ (m) 1. For taxable years beginning after December 31, 2018, "Internal Revenue Code" means the federal Internal Revenue Code as amended to December 31, 2018, except as provided in subds. 2. and 3. and subject to subd. 4., and except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34 (1g), 71.42 (2), and 71.98.

2. For purposes of this paragraph, "Internal Revenue Code" does not include the following provisions of federal public laws for taxable years beginning after December 31, 2018: section 13113 of P.L. 103-66; sections 1, 3, 4, and 5 of P.L. 106-519; sections 101, 102, and 422 of P.L. 108-357; sections 1310 and 1351 of P.L. 109-58; section 11146 of P.L. 109-59; section 403 (q) of P.L. 109-135; section 513 of P.L. 109-222; sections 104 and 307 of P.L. 109-432; sections 8233 and 8235 of P.L. 110-28; section 11 (e) and (g) of P.L. 110-172; section 301 of P.L. 110-245; section 15351 of P.L. 110-246; section 302 of division A, section 401 of division B, and sections 312, 322, 502 (c), 707, and 801 of division C of P.L. 110-343; sections 1232, 1241, 1251, 1501, and 1502 of division B of P.L. 111-5; sections 211, 212, 213, 214, and 216 of P.L. 111-226; sections 2011 and 2122 of P.L. 111-240; sections 753, 754, and 760 of P.L. 111-312; section 1106 of P.L. 112-95; sections 104, 318, 322, 323, 324, 326, 327, and 411 of P.L. 112-240; P.L. 114-7; section 1101 of P.L. 114-74; section 305 of division P of P.L. 114-113; sections 123, 125 to 128, 143, 144, 151 to 153, 165 to 167, 169 to 171, 189, 191, 307, 326, and 411 of division Q of P.L. 114-113; sections 11011, 13201 (a) to (e) and (g), 13801, 14101, 14102, 14103, 14201, 14202, 14211, 14212, 14213, 14214, 14215, 14221, 14222, 14301, 14302, 14304, and 14401 of P.L. 115-97; sections 40304, 40305, 40306, and 40412 of P.L. 115-123; section 101 (c) of division T of P.L. 115-141; and sections 101 (d) and (e), 102, 201-207, 301, 302, and 401 (a) (47) and (195), (b) (13), (17), (22) and (30), and (d) (1) (D) (v), (vi), and (xiii) and (xvii) (II) of division U of P.L. 115-141.

3. For purposes of this paragraph, "Internal Revenue Code" does not include amendments to the federal Internal Revenue Code enacted after December 31, 2018.

4. For purposes of this paragraph, the provisions of federal public laws that directly or indirectly affect the Internal Revenue Code, as defined in this paragraph, apply for Wisconsin purposes at the same time as for federal purposes, except that changes made by sections 20101, 20102, 20104, 20201, 40201, 40202, 40203, 40308, 40309, 40311, 40414, 41101, 41107, 41115, and 41116 of P.L. 115-123 and section 101 (a), (b), and (h) of division U of P.L. 115-141 apply for taxable years beginning after December 31, 2018.

71.22 (4m) (j) 3. m. Sections 101 (m), (n), (o), (p), and (q) and 104 (a) of division U of P.L. 115-141.

(m) 1. For taxable years beginning after December 31, 2018, "Internal Revenue Code", for corporations that are subject to a tax on unrelated business income under s. 71.26 (1) (a), means the federal Internal Revenue Code as amended to December 31, 2018, except as provided in subds. 2. and 3. and s. 71.98 and subject to subd. 4.

2. For purposes of this paragraph, "Internal Revenue Code" does not include the following provisions of federal public laws for taxable years beginning after December 31, 2018: section 13113 of P.L. 103-66; sections 1, 3, 4, and 5 of P.L. 106-519; sections 101, 102, and 422 of P.L. 108-357; sections 1310 and 1351 of P.L. 109-58; section 11146 of P.L. 109-59; section 403 (q) of P.L. 109-135; section 513 of P.L. 109-222; sections 104 and 307 of P.L. 109-432; sections 8233 and 8235 of P.L. 110-28; section 11 (e) and (g) of P.L. 110-172; section 301 of P.L. 110-245; section 15351 of P.L. 110-246; section 302 of division A, section 401 of division B, and sections 312, 322, 502 (c), 707, and 801 of division C of P.L. 110-343; sections 1232, 1241, 1251, 1501, and 1502 of division B of P.L. 111-5; sections 211, 212, 213, 214, and 216 of P.L. 111-226; sections 2011 and 2122 of P.L. 111-240; sections 753, 754, and 760 of P.L. 111-312; section 1106 of P.L. 112-95; sections 104, 318, 322, 323, 324, 326, 327, and 411 of P.L. 112-240; P.L. 114-7; section 1101 of P.L. 114-74; section 305 of division P of P.L. 114-113; sections 123, 125 to 128, 143, 144, 151 to 153, 165 to 167, 169 to 171, 189, 191, 307, 326, and 411 of division Q of P.L. 114-113; sections 11011, 13201 (a) to (e) and (g), 13801, 14101, 14102, 14103, 14201, 14202, 14211, 14212, 14213, 14214, 14215, 14221, 14222, 14301, 14302, 14304, and 14401 of P.L. 115-97; sections 40304, 40305, 40306, and 40412 of P.L. 115-123; section 101 (c) of division T of P.L. 115-141; and sections 101 (d) and (e), 102, 201-207, 301, 302, and 401 (a) (47) and (195), (b) (13), (17), (22) and (30), and (d) (1) (D) (v), (vi), and (xiii) and (xvii) (II) of division U of P.L. 115-141.

3. For purposes of this paragraph, "Internal Revenue Code" does not include amendments to the federal Internal Revenue Code enacted after December 31, 2018.

4. For purposes of this paragraph, the provisions of federal public laws that directly or indirectly affect the Internal Revenue Code, as defined in this paragraph, apply for Wisconsin purposes at the same time as for federal purposes, except that changes made by sections 20101, 20102, 20104, 20201, 40201, 40202, 40203, 40308, 40309, 40311, 40414, 41101, 41107, 41115, and 41116 of P.L. 115-123 and section 101 (a), (b), and (h) of division U of P.L. 115-141 apply for taxable years beginning after December 31, 2018.

(5g) For purposes of s. 71.22 (4) (b) and (4m) (b), 2013 stats., "Internal Revenue Code" includes section 109 of division U of P.L. 115-141.

71.26 (2) (b) 13. a. For taxable years beginning after December 31, 2018, for a corporation, conduit, or common law trust which qualifies as a regulated investment company, real estate mortgage investment conduit, real estate investment trust, or financial asset securitization investment trust under the Internal Revenue Code, "net income" means the federal regulated investment company taxable income, federal real estate mortgage investment conduit taxable income, federal real estate investment trust or financial asset securitization investment trust taxable income of the corporation, conduit, or trust as determined under the Internal Revenue Code.

b. For purposes of subd. 13. a., "Internal Revenue Code" means the federal Internal Revenue Code as amended to December 31, 2018, except as provided in subd. 13. c. and d. and s. 71.98 and subject to subd. 13. e.

c. For purposes of subd. 13. a., "Internal Revenue Code" does not include the following provisions of federal public laws for taxable years beginning after December 31, 2018: section 13113 of P.L. 103-66; sections 1, 3, 4, and 5 of P.L. 106-519; sections 101, 102, and 422 of P.L. 108-357; sections 1310 and 1351 of P.L. 109-58; section 11146 of P.L. 109-59; section 403 (q) of P.L. 109-135; section 513 of P.L. 109-222; sections 104 and 307 of P.L. 109-432; sections 8233 and 8235 of P.L. 110-28; section 11 (e) and (g) of P.L. 110-172; section 301 of P.L. 110-245; section 15351 of P.L. 110-246; section 302 of division A, section 401 of division B, and sections 312, 322, 502 (c), 707, and 801 of division C of P.L. 110-343; sections 1232, 1241, 1251, 1501, and 1502 of division B of P.L. 111-5; sections 211, 212, 213, 214, and 216 of P.L. 111-226; sections 2011 and 2122 of P.L. 111-240; sections 753, 754, and 760 of P.L. 111-312; section 1106 of P.L. 112-95; sections 104, 318, 322, 323, 324, 326, 327, and 411 of P.L. 112-240; P.L. 114-7; section 1101 of P.L. 114-74; section 305 of division P of P.L. 114-113; sections 123, 125 to 128, 143, 144, 151 to 153, 165 to 167, 169 to 171, 189, 191, 307, 326, and 411 of division Q of P.L. 114-113; sections 11011, 13201 (a) to (e) and (g), 13801, 14101, 14102, 14103, 14201, 14202, 14211, 14212, 14213, 14214, 14215, 14221, 14222, 14301, 14302, 14304, and 14401 of P.L. 115-97; sections 40304, 40305, 40306, and 40412 of P.L. 115-123; section 101 (c) of division T of P.L. 115-141; and sections 101 (d) and (e), 102, 201-207, 301, 302, and 401 (a) (47) and (195), (b) (13), (17), (22) and (30), and (d) (1) (D) (v), (vi), and (xiii) and (xvii) (II) of division U of P.L. 115-141.

d. For purposes of subd. 13. a., "Internal Revenue Code" does not include amendments to the federal Internal Revenue Code enacted after December 31, 2018.

e. For purposes of subd. 13. a., the provisions of federal public laws that directly or indirectly affect the Internal Revenue Code, as defined in this subdivision, apply for Wisconsin purposes at the same time as for federal purposes, except that changes made by sections 20101, 20102, 20104, 20201, 40201, 40202, 40203, 40308, 40309, 40311, 40414, 41101, 41107, 41115, and 41116 of P.L. 115-123 and section 101 (a), (b), and (h) of division U of P.L. 115-141 apply for taxable years beginning after December 31, 2018.

14. For purposes of s. 71.26 (2) (b) 2., 2013 stats., "Internal Revenue Code" includes section 109 of division U of P.L. 115-141.

71.34 (1g) (j) 3. m. Sections 101 (m), (n), (o), (p), and (q) and 104 (a) of division U of P.L. 115-141.

(m) 1. For taxable years beginning after December 31, 2018, for tax option corporations, "Internal Revenue Code" means the federal Internal Revenue Code as amended to December 31, 2018, except as provided in subsd. 2., 3., and 5. and s. 71.98 and subject to subd. 4.

2. For purposes of this paragraph, "Internal Revenue Code" does not include the following provisions of federal public laws for taxable years beginning after December 31, 2018: section 13113 of P.L. 103-66; sections 1, 3, 4, and 5 of P.L. 106-519; sections 101, 102, and 422 of P.L. 108-357; sections 1310 and 1351 of P.L. 109-58; section 11146 of P.L. 109-59; section 403 (q) of P.L. 109-135; section 513 of P.L. 109-222; sections 104 and 307 of P.L. 109-432; sections 8233 and 8235 of P.L. 110-28; section 11 (e) and (g) of P.L. 110-172; section 301 of P.L. 110-245; section 15351 of P.L. 110-246; section 302 of division A, section 401 of division B, and sections 312, 322, 502 (c), 707, and 801 of division C of P.L. 110-343; sections 1232, 1241, 1251, 1501, and 1502 of division B of P.L. 111-5; sections 211, 212, 213, 214, and 216 of P.L. 111-226; sections 2011 and 2122 of P.L. 111-240; sections 753, 754, and 760 of P.L. 111-312; section 1106 of P.L. 112-95; sections 104, 318, 322, 323, 324, 326, 327, and 411 of P.L. 112-240; P.L. 114-7; section 1101 of P.L. 114-74; section 305 of division P of P.L. 114-113; sections 123, 125 to 128, 143, 144, 151 to 153, 165 to 167, 169 to 171, 189, 191, 307, 326, and 411 of division Q of P.L. 114-113; sections 11011, 13201 (a) to (e) and (g), 13801, 14101, 14102, 14103, 14201, 14202, 14211, 14212, 14213, 14214, 14215, 14221, 14222, 14301, 14302, 14304, and 14401 of P.L. 115-97; sections 40304, 40305, 40306, and 40412 of P.L. 115-123; section 101 (c) of division T of P.L. 115-141; and sections 101 (d) and (e), 102, 201-207, 301, 302, and 401 (a) (47) and (195), (b) (13), (17), (22) and (30), and (d) (1) (D) (v), (vi), and (xiii) and (xvii) (II) of division U of P.L. 115-141.

3. For purposes of this paragraph, "Internal Revenue Code" does not include amendments to the federal Internal Revenue Code enacted after December 31, 2018.

4. For purposes of this paragraph, the provisions of federal public laws that directly or indirectly affect the Internal Revenue Code, as defined in this paragraph, apply for Wisconsin purposes at the same time as for federal purposes, except that changes made by sections 20101, 20102, 20104, 20201, 40201, 40202, 40203, 40308, 40309, 40311, 40414, 41101, 41107, 41115, and 41116 of P.L. 115-123 and section 101 (a), (b), and (h) of division U of P.L. 115-141 apply for taxable years beginning after December 31, 2018.

5. For purposes of this paragraph, section 1366 (f) of the Internal Revenue Code (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 of the Internal Revenue Code.

(1u) For purposes of s. 71.34 (1g) (b), 2013 stats., "Internal Revenue Code" includes section 109 of division U of P.L. 115-141.

71.42 (2) (j) 3. m. Sections 101 (m), (n), (o), (p), and (q) and 104 (a) of division U of P.L. 115-141.

(m) 1. For taxable years beginning after December 31, 2018, "Internal Revenue Code" means the federal Internal Revenue Code as amended to December 31, 2018, except as provided in subds. 2. to 4. and s. 71.98 and subject to subd. 5.

2. For purposes of this paragraph, "Internal Revenue Code" does not include the following provisions of federal public laws for taxable years beginning after December 31, 2018: section 13113 of P.L. 103-66; sections 1, 3, 4, and 5 of P.L. 106-519; sections 101, 102, and 422 of P.L. 108-357; sections 1310 and 1351 of P.L. 109-58; section 11146 of P.L. 109-59; section 403 (q) of P.L. 109-135; section 513 of P.L. 109-222; sections 104 and 307 of P.L. 109-432; sections 8233 and 8235 of P.L. 110-28; section 11 (e) and (g) of P.L. 110-172; section 301 of P.L. 110-245; section 15351 of P.L. 110-246; section 302 of division A, section 401 of division B, and sections 312, 322, 502 (c), 707, and 801 of division C of P.L. 110-

343; sections 1232, 1241, 1251, 1501, and 1502 of division B of P.L. 111-5; sections 211, 212, 213, 214, and 216 of P.L. 111-226; sections 2011 and 2122 of P.L. 111-240; sections 753, 754, and 760 of P.L. 111-312; section 1106 of P.L. 112-95; sections 104, 318, 322, 323, 324, 326, 327, and 411 of P.L. 112-240; P.L. 114-7; section 1101 of P.L. 114-74; section 305 of division P of P.L. 114-113; sections 123, 125 to 128, 143, 144, 151 to 153, 165 to 167, 169 to 171, 189, 191, 307, 326, and 411 of division Q of P.L. 114-113; sections 11011, 13201 (a) to (e) and (g), 13801, 14101, 14102, 14103, 14201, 14202, 14211, 14212, 14213, 14214, 14215, 14221, 14222, 14301, 14302, 14304, and 14401 of P.L. 115-97; sections 40304, 40305, 40306, and 40412 of P.L. 115-123; section 101 (c) of division T of P.L. 115-141; and sections 101 (d) and (e), 102, 201-207, 301, 302, and 401 (a) (47) and (195), (b) (13), (17), (22) and (30), and (d) (1) (D) (v), (vi), and (xiii) and (xvii) (II) of division U of P.L. 115-141.

3. For purposes of this paragraph, "Internal Revenue Code" does not include amendments to the federal Internal Revenue Code enacted after December 31, 2018.

4. For purposes of this paragraph, "Internal Revenue Code" does not include section 847 of the federal Internal Revenue Code.

5. For purposes of this paragraph, the provisions of federal public laws that directly or indirectly affect the Internal Revenue Code, as defined in this paragraph, apply for Wisconsin purposes at the same time as for federal purposes, except that changes made by sections 20101, 20102, 20104, 20201, 40201, 40202, 40203, 40308, 40309, 40311, 40414, 41101, 41107, 41115, and 41116 of P.L. 115-123 and section 101 (a), (b), and (h) of division U of P.L. 115-141 apply for taxable years beginning after December 31, 2018.

(2p) For purposes of s. 71.42 (2) (b), 2013 stats., "Internal Revenue Code" includes section 109 of division U of P.L. 115-141.



JK: *edc*

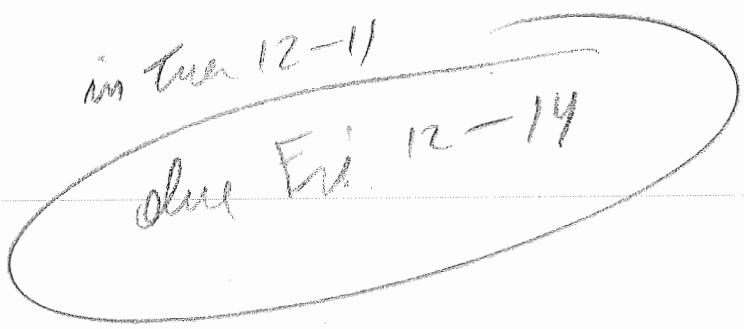
DOA:.....Quinn - Internal Revenue Code update

FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION

in tier 12-11

due Fri. 12-14

*SA ✓
SLC ✓*



1 AN ACT ^φ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

This bill adopts, for state income and franchise tax purposes, changes made to the Internal Revenue Code by the Bipartisan Budget Act and Consolidated Appropriations Act of 2018.

✓ Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

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:

2 SECTION 1. 71.01 (6) (c) ✓ of the statutes is repealed.

3 SECTION 2. 71.01 (6) (j) 3. m. ✓ of the statutes is created to read:

4 71.01 (6) (j) 3. m. Sections 101 (m) ✓, (n) ✓, (o) ✓, (p) ✓, and (q) ✓ and 104 (a) ✓ of division

5 U of P.L. 115-141. ✓

X

1 **SECTION 3.** 71.01 (6) (k) 3. of the statutes is amended to read:

2 71.01 (6) (k) 3. For purposes of this paragraph, "Internal Revenue Code" does
3 not include amendments to the federal Internal Revenue Code enacted after
4 December 31, 2016, except that "Internal Revenue Code" includes sections 11024,
5 11025, and 13543 of P.L. 115-97 and sections 40307 and 40413 of P.L. 115-123.

History: 1987 a. 312; 1987 a. 411 ss. 6 to 8, 26, 27, 31; 1989 a. 31, 100, 336; 1991 a. 39, 269; 1993 a. 16, 112, 437; 1995 a. 27, 380, 428; 1997 a. 27, 37, 237; 1999 a. 9, 194; 2001 a. 109; 2003 a. 33; 2005 a. 25, 49, 362; 2007 a. 20, 226; 2009 a. 2, 28, 161, 183; 2011 a. 32; 2013 a. 20; 2015 a. 55, 216; 2017 a. 59, 231.

6 **SECTION 4.** 71.01 (6) (L) 1. of the statutes is amended to read:

7 71.01 (6) (L) 1. For taxable years beginning after December 31, 2017, and
8 before January 1, 2019, for individuals and fiduciaries, except fiduciaries of nuclear
9 decommissioning trust or reserve funds, "Internal Revenue Code" means the federal
10 Internal Revenue Code as amended to December 31, 2017, except as provided in
11 subds. 2. and 3. and s. 71.98 and subject to subd. 4.

History: 1987 a. 312; 1987 a. 411 ss. 6 to 8, 26, 27, 31; 1989 a. 31, 100, 336; 1991 a. 39, 269; 1993 a. 16, 112, 437; 1995 a. 27, 380, 428; 1997 a. 27, 37, 237; 1999 a. 9, 194; 2001 a. 109; 2003 a. 33; 2005 a. 25, 49, 362; 2007 a. 20, 226; 2009 a. 2, 28, 161, 183; 2011 a. 32; 2013 a. 20; 2015 a. 55, 216; 2017 a. 59, 231.

12 **SECTION 5.** 71.01 (6) (L) 4. of the statutes is amended to read:

13 71.01 (6) (L) 4. For purposes of this paragraph, the provisions of federal public
14 laws that directly or indirectly affect the Internal Revenue Code, as defined in this
15 paragraph, apply for Wisconsin purposes at the same time as for federal purposes,
16 except that changes made by P.L. 115-63 and sections 11026, 11027, 11028, 13207,
17 13306, 13307, 13308, 13311, 13312, 13501, 13705, 13821, and 13823 of P.L. 115-97
18 first apply for taxable years beginning after December 31, 2017.

History: 1987 a. 312; 1987 a. 411 ss. 6 to 8, 26, 27, 31; 1989 a. 31, 100, 336; 1991 a. 39, 269; 1993 a. 16, 112, 437; 1995 a. 27, 380, 428; 1997 a. 27, 37, 237; 1999 a. 9, 194; 2001 a. 109; 2003 a. 33; 2005 a. 25, 49, 362; 2007 a. 20, 226; 2009 a. 2, 28, 161, 183; 2011 a. 32; 2013 a. 20; 2015 a. 55, 216; 2017 a. 59, 231.

19 **SECTION 6.** 71.01 (6) (m) of the statutes is created to read:

20 71.01 (6) (m) 1. For taxable years beginning after December 31, 2018, for
21 individuals and fiduciaries, except fiduciaries of nuclear decommissioning trust or
22 reserve funds, "Internal Revenue Code" means the federal Internal Revenue Code

1 as amended to December 31, 2018, except as provided in subds. 2. and 3. and s. 71.98
2 and subject to subd. 4.

3 2. For purposes of this paragraph, "Internal Revenue Code" does not include
4 the following provisions of federal public laws for taxable years beginning after
5 December 31, 2018: section 13113 of P.L. 103-66; sections 1, 3, 4, and 5 of P.L.
6 106-519; sections 101, 102, and 422 of P.L. 108-357; sections 1310 and 1351 of P.L.
7 109-58; section 11146 of P.L. 109-59; section 403 (q) of P.L. 109-135; section 513 of
8 P.L. 109-222; sections 104 and 307 of P.L. 109-432; sections 8233 and 8235 of P.L.
9 110-28; section 11 (e) and (g) of P.L. 110-172; section 301 of P.L. 110-245; section
10 15351 of P.L. 110-246; section 302 of division A, section 401 of division B, and sections
11 312, 322, 502 (c), 707, and 801 of division C of P.L. 110-343; sections 1232, 1241, 1251,
12 1501, and 1502 of division B of P.L. 111-5; sections 211, 212, 213, 214, and 216 of P.L.
13 111-226; sections 2011 and 2122 of P.L. 111-240; sections 753, 754, and 760 of P.L.
14 111-312; section 1106 of P.L. 112-95; sections 104, 318, 322, 323, 324, 326, 327, and
15 411 of P.L. 112-240; P.L. 114-7; section 1101 of P.L. 114-74; section 305 of division
16 P of P.L. 114-113; sections 123, 125 to 128, 143, 144, 151 to 153, 165 to 167, 169 to
17 171, 189, 191, 307, 326, and 411 of division Q of P.L. 114-113; sections 11011, 11012,
18 13201 (a) to (e) and (g), 13206, 13221, 13301, 13304 (a), (b), and (d), 13531, 13601,
19 13801, 14101, 14102, 14103, 14201, 14202, 14211, 14212, 14213, 14214, 14215,
20 14221, 14222, 14301, 14302, 14304, and 14401 of P.L. 115-97; sections 40304, 40305,
21 40306, and 40412 of P.L. 115-123; section 101 (c) of division T of P.L. 115-141; and
22 sections 101 (d) and (e), 102, 201 to 207, 301, and 401 (a) (47) and (195), (b) (13), (17),
23 (22) and (30), and (d) (1) (D) (v), (vi), and (xiii) and (xvii) (II) of division U of P.L.
24 115-141.

3021

1 3. For purposes of this paragraph, "Internal Revenue Code" does not include
2 amendments to the federal Internal Revenue Code enacted after December 31, 2018.

3 4. For purposes of this paragraph, the provisions of federal public laws that
4 directly or indirectly affect the Internal Revenue Code, as defined in this paragraph,
5 apply for Wisconsin purposes at the same time as for federal purposes, except that
6 changes made by sections 20101, 20102, 20104, 20201, 40201, 40202, 40203, 40308,
7 40309, 40311, 40414, 41101, 41104, 41115, and 41116 of PL. 115-123 and section 101
8 (a), (b), and (h) of division U of P.L. 115-141 apply for taxable years beginning after
9 December 31, 2018.

10 **SECTION 7.** 71.01 (7g) of the statutes is created to read:

11 71.01 (7g) For purposes of sub. (6) (b), 2013 stats., "Internal Revenue Code"
12 includes section 109 of division U of P.L. 115-141.

13 **SECTION 8.** 71.22 (4) (c) of the statutes is repealed.

14 **SECTION 9.** 71.22 (4) (j) 3. m. of the statutes is created to read:

15 71.22 (4) (j) 3. m. Sections 101 (m), (n), (o), (p), and (q) and 104 (a) of division
16 U of P.L. 115-141.

17 **SECTION 10.** 71.22 (4) (k) 3. of the statutes is amended to read:

18 71.22 (4) (k) 3. For purposes of this paragraph, "Internal Revenue Code" does
19 not include amendments to the federal Internal Revenue Code enacted after
20 December 31, 2016, except that "Internal Revenue Code" includes sections 11024,
21 11025, and 13543 of P.L. 115-97 and sections 40307 and 40413 of P.L. 115-123.

History: 1987 a. 312; 1987 a. 411 ss. 14, 19, 109, 112; 1989 a. 31, 336; 1991 a. 39, 269; 1993 a. 16, 112, 437; 1995 a. 27, 380, 428; 1997 a. 27, 37, 237, 252, 299; 1999 a. 9, 194; 2001 a. 16, 109; 2003 a. 33; 2005 a. 25, 49; 2007 a. 20, 226; 2009 a. 2, 28, 161, 183; 2011 a. 32; 2013 a. 20; 2015 a. 55, 216; 2017 a. 59, 231.

22 **SECTION 11.** 71.22 (4) (L) 1. of the statutes is amended to read:

23 71.22 (4) (L) 1. For taxable years beginning after December 31, 2017, and
24 before January 1, 2019, "Internal Revenue Code" means the federal Internal

1 Revenue Code as amended to December 31, 2017, except as provided in subds. 2. and
 2 3. and subject to subd. 4., and except as provided in sub. (4m) and ss. 71.26 (2) (b) and
 3 (3), 71.34 (1g), 71.42 (2), and 71.98.

History: 1987 a. 312; 1987 a. 411 ss. 14, 19, 109, 112; 1989 a. 31, 336; 1991 a. 39, 269; 1993 a. 16, 112, 437; 1995 a. 27, 380, 428; 1997 a. 27, 37, 237, 252, 299; 1999 a. 9, 194; 2001 a. 16, 109; 2003 a. 33; 2005 a. 25, 49; 2007 a. 20, 226; 2009 a. 2, 28, 161, 183; 2011 a. 32; 2013 a. 20; 2015 a. 55, 216; 2017 a. 59, 231.

4 **SECTION 12.** 71.22 (4) (L) 4. of the statutes is amended to read:

5 71.22 (4) (L) 4. For purposes of this paragraph, the provisions of federal public
 6 laws that directly or indirectly affect the Internal Revenue Code, as defined in this
 7 paragraph, apply for Wisconsin purposes at the same time as for federal purposes,
 8 except that changes made by P.L. 115-63 and sections 11026, 11027, 11028, 13207,
 9 13306, 13307, 13308, 13311, 13312, 13501, 13705, 13821, and 13823 of P.L. 115-97
 10 first apply for taxable years beginning after December 31, 2017.

History: 1987 a. 312; 1987 a. 411 ss. 14, 19, 109, 112; 1989 a. 31, 336; 1991 a. 39, 269; 1993 a. 16, 112, 437; 1995 a. 27, 380, 428; 1997 a. 27, 37, 237, 252, 299; 1999 a. 9, 194; 2001 a. 16, 109; 2003 a. 33; 2005 a. 25, 49; 2007 a. 20, 226; 2009 a. 2, 28, 161, 183; 2011 a. 32; 2013 a. 20; 2015 a. 55, 216; 2017 a. 59, 231.

11 **SECTION 13.** 71.22 (4) (m) of the statutes is created to read:

12 71.22 (4) (m) 1. For taxable years beginning after December 31, 2018, "Internal
 13 Revenue Code" means the federal Internal Revenue Code as amended to December
 14 31, 2018, except as provided in subds. 2. and 3. and subject to subd. 4., and except
 15 as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34 (1g), 71.42 (2), and 71.98.

16 2. For purposes of this paragraph, "Internal Revenue Code" does not include
 17 the following provisions of federal public laws for taxable years beginning after
 18 December 31, 2018: section 13113 of P.L. 103-66; sections 1, 3, 4, and 5 of P.L.
 19 106-519; sections 101, 102, and 422 of P.L. 108-357; sections 1310 and 1351 of P.L.
 20 109-58; section 11146 of P.L. 109-59; section 403 (q) of P.L. 109-135; section 513 of
 21 P.L. 109-222; sections 104 and 307 of P.L. 109-432; sections 8233 and 8235 of P.L.
 22 110-28; section 11 (e) and (g) of P.L. 110-172; section 301 of P.L. 110-245; section
 23 15351 of P.L. 110-246; section 302 of division A, section 401 of division B, and sections

check
spacing

1 312, 322, 502 (c), 707, and 801 of division C of P.L. 110-343; sections 1232, 1241, 1251,
2 1501, and 1502 of division B of P.L. 111-5; sections 211, 212, 213, 214, and 216 of P.L.
3 111-226; sections 2011 and 2122 of P.L. 111-240; sections 753, 754, and 760 of P.L.
4 111-312; section 1106 of P.L. 112-95; sections 104, 318, 322, 323, 324, 326, 327, and
5 411 of P.L. 112-240; P.L. 114-7; section 1101 of P.L. 114-74; section 305 of division
6 P of P.L. 114-113; sections 123, 125 to 128, 143, 144, 151 to 153, 165 to 167, 169 to
7 171, 189, 191, 307, 326, and 411 of division Q of P.L. 114-113; sections 11011, (11012),
8 13201 (a) to (e) and (g), (13206, 13221, 13301, 13304 (a), (b), and (d), 13531, 13601,
9 13801, 14101, 14102, 14103, 14201, 14202, 14211, 14212, 14213, 14214, 14215,
10 14221, 14222, 14301, 14302, 14304, and 14401 of P.L. 115-97; sections 40304, 40305,
11 40306, and 40412 of P.L. 115-123; section 101 (c) of division T of P.L. 115-141; and
12 sections 101 (d) and (e), 102, 201 to 207, 301, and 401 (a) (47) and (195), (b) (13), (17),
13 (22) and (30), and (d) (1) (D) (v), (vi), and (xiii) and (xvii) (II) of division U of P.L.
14 115-141.

15 3. For purposes of this paragraph, "Internal Revenue Code" does not include
16 amendments to the federal Internal Revenue Code enacted after December 31, 2018.

17 4. For purposes of this paragraph, the provisions of federal public laws that
18 directly or indirectly affect the Internal Revenue Code, as defined in this paragraph,
19 apply for Wisconsin purposes at the same time as for federal purposes, except that
20 changes made by sections 20101, 20102, 20104, 20201, 40201, 40202, 40203, 40308,
21 40309, 40311, 40414, 41101, 41104, 41115, and 41116 of PL. 115-123 and section 101
22 (a), (b), and (h) of division U of P.L. 115-141 apply for taxable years beginning after
23 December 31, 2018.

24 SECTION 14. 71.22 (4m) (c) of the statutes is repealed.

25 SECTION 15. 71.22 (4m) (j) 3. m. of the statutes is created to read:

1 71.22 (4m) (j) 3. m. Sections 101 (m), (n), (o), (p), and (q) and 104 (a) of division
2 U of P.L. 115-141.

3 **SECTION 16.** 71.22 (4m) (k) 3. of the statutes is amended to read:

4 71.22 (4m) (k) 3. For purposes of this paragraph, "Internal Revenue Code" does
5 not include amendments to the federal Internal Revenue Code enacted after
6 December 31, 2016, except that "Internal Revenue Code" includes sections 11024,
7 11025, and 13543 of P.L. 115-97 and sections 40307 and 40413 of P.L. 115-123.

History: 1987 a. 312; 1987 a. 411 ss. 14, 19, 109, 112; 1989 a. 31, 336; 1991 a. 39, 269; 1993 a. 16, 112, 437; 1995 a. 27, 380, 428; 1997 a. 27, 37, 237, 252, 299; 1999 a. 9, 194; 2001 a. 16, 109; 2003 a. 33; 2005 a. 25, 49; 2007 a. 20, 226; 2009 a. 2, 28, 161, 183; 2011 a. 32; 2013 a. 20; 2015 a. 55, 216; 2017 a. 59, 231.

8 **SECTION 17.** 71.22 (4m) (L) 1. of the statutes is amended to read:

9 71.22 (4m) (L) 1. For taxable years beginning after December 31, 2017, and
10 before January 1, 2019, "Internal Revenue Code", for corporations that are subject
11 to a tax on unrelated business income under s. 71.26 (1) (a), means the federal
12 Internal Revenue Code as amended to December 31, 2017, except as provided in
13 subds. 2. and 3. and s. 71.98 and subject to subd. 4.

History: 1987 a. 312; 1987 a. 411 ss. 14, 19, 109, 112; 1989 a. 31, 336; 1991 a. 39, 269; 1993 a. 16, 112, 437; 1995 a. 27, 380, 428; 1997 a. 27, 37, 237, 252, 299; 1999 a. 9, 194; 2001 a. 16, 109; 2003 a. 33; 2005 a. 25, 49; 2007 a. 20, 226; 2009 a. 2, 28, 161, 183; 2011 a. 32; 2013 a. 20; 2015 a. 55, 216; 2017 a. 59, 231.

14 **SECTION 18.** 71.22 (4m) (L) 4. of the statutes is amended to read:

15 71.22 (4m) (L) 4. For purposes of this paragraph, the provisions of federal
16 public laws that directly or indirectly affect the Internal Revenue Code, as defined
17 in this paragraph, apply for Wisconsin purposes at the same time as for federal
18 purposes, except that changes made by P.L. 115-63 and sections 11026, 11027, 11028,
check spacing (19) 13207, 13306, 13307, 13308, 13311, 13312, 13501, 13705, 13821, and 13823 of P.L.
20 115-97 first apply for taxable years beginning after December 31, 2017.

History: 1987 a. 312; 1987 a. 411 ss. 14, 19, 109, 112; 1989 a. 31, 336; 1991 a. 39, 269; 1993 a. 16, 112, 437; 1995 a. 27, 380, 428; 1997 a. 27, 37, 237, 252, 299; 1999 a. 9, 194; 2001 a. 16, 109; 2003 a. 33; 2005 a. 25, 49; 2007 a. 20, 226; 2009 a. 2, 28, 161, 183; 2011 a. 32; 2013 a. 20; 2015 a. 55, 216; 2017 a. 59, 231.

21 **SECTION 19.** 71.22 (4m) (m) of the statutes is created to read:

Add Insert

1 71.22 (4m) (m) 1. For taxable years beginning after December 31, 2018,
2 "Internal Revenue Code" means the federal Internal Revenue Code as amended to
3 December 31, 2018, except as provided in subds. 2. and 3. and subject to subd. 4., and
4 except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34 (1g), 71.42 (2), and
5 71.98.

6 2. For purposes of this paragraph, "Internal Revenue Code" does not include
7 the following provisions of federal public laws for taxable years beginning after
8 December 31, 2018: section 1311³ of P.L. 103-66; sections 1³, 3³, 4³, and 5³ of P.L.
9 106-519; sections 101², 102², and 422² of P.L. 108-357; sections 1310¹ and 1351¹ of P.L.
10 109-58; section 11146⁵ of P.L. 109-59; section 403 (q) of P.L. 109-135; section 513³ of
11 P.L. 109-222; sections 104⁴ and 307⁴ of P.L. 109-432; sections 8233³ and 8235³ of P.L.
12 110-28; section 11 (e) and (g) of P.L. 110-172; section 301¹ of P.L. 110-245; section
13 15351¹ of P.L. 110-246; section 302² of division A, section 401¹ of division B, and sections
14 312², 322², 502 (c)¹, 707¹, and 801¹ of division C of P.L. 110-343; sections 1232², 1241¹, 1251¹,
15 1501¹, and 1502¹ of division B of P.L. 111-5; sections 211¹, 212¹, 213¹, 214¹, and 216¹ of P.L.
16 111-226; sections 2011¹ and 2122² of P.L. 111-240; sections 753³, 754³, and 760³ of P.L.
17 111-312; section 1106⁶ of P.L. 112-95; sections 104⁴, 318⁸, 322², 323³, 324⁴, 326⁶, 327⁷, and
18 411¹ of P.L. 112-240; P.L. 114-7; section 1101¹ of P.L. 114-74; section 305⁵ of division
19 P of P.L. 114-113; sections 123³, 125 to 128⁸, 143³, 144⁴, 151 to 153³, 165 to 167⁷, 169 to
20 171¹, 189⁹, 191¹, 307⁷, 326⁶, and 411¹ of division Q of P.L. 114-113; sections 11011¹, 11012²,
21 13201 (a) to (e) and (g)¹, 13206⁶, 13221¹, 13301¹, 13304 (a), (b), and (d)⁴, 13531¹, 13601¹,
22 13801¹, 14101¹, 14102², 14103³, 14201¹, 14202², 14211¹, 14212², 14213³, 14214⁴, 14215⁵,
23 14221¹, 14222², 14301¹, 14302², 14304⁴, and 14401¹ of P.L. 115-97; sections 40304⁴, 40305⁵,
24 40306⁶, and 40412² of P.L. 115-123; section 101 (c) of division T of P.L. 115-141; and
25 sections 101 (d) and (e)¹, 102², 201 to 207⁷, 301¹, and 401 (a) (47) and (195)⁵, (b) (13)³, (17)⁷,

302,

1 (22) and (30), and (d) (1) (D) (v), (vi), and (xiii) and (xvii) (II) of division U of P.L.
2 115-141.

3 3. For purposes of this paragraph, "Internal Revenue Code" does not include
4 amendments to the federal Internal Revenue Code enacted after December 31, 2018.

5 4. For purposes of this paragraph, the provisions of federal public laws that
6 directly or indirectly affect the Internal Revenue Code, as defined in this paragraph,
7 apply for Wisconsin purposes at the same time as for federal purposes, except that
8 changes made by sections 20101, 20102, 20104, 20201, 40201, 40202, 40203, 40308,
9 40309, 40311, 40414, 41101, 41104, 41115, and 41116 of PL. 115-123 and section 101
10 (a), (b), and (h) of division U of P.L. 115-141 apply for taxable years beginning after
11 December 31, 2018.

12 **SECTION 20.** 71.22 (5g) of the statutes is created to read:

13 71.22 (5g) For purposes of sub. (4) (b) and (4m) (b), 2013 stats., "Internal
14 Revenue Code" includes section 109 of division U of P.L. 115-141.

15 **SECTION 21.** 71.26 (2) (b) 3. of the statutes is repealed.

16 **SECTION 22.** 71.26 (2) (b) 10. d. of the statutes is amended to read:

17 71.26 (2) (b) 10. d. For purposes of subd. 10. a., "Internal Revenue Code" does
18 not include amendments to the federal Internal Revenue Code enacted after
19 December 31, 2013, except that "Internal Revenue Code" includes the provisions of
20 P.L. 113-97, P.L. 113-159, P.L. 113-168, section 302901 of P.L. 113-287, sections 171,
21 172, and 201 to 221 of P.L. 113-295, sections 102, 105, and 207 of division B of P.L.
22 113-295, P.L. 114-14, P.L. 114-26, section 2004 of P.L. 114-41, sections 503 and 504
23 of P.L. 114-74, sections 103, 104, 124, 168, 184, 185, 190, 204, 303, 306, 336, and 341

1 of division Q of P.L. 114-113, and P.L. 114-239, and sections 101 (m), (n), (o), (p), and
2 (q) and 104 (a) of division U of P.L. 115-141.

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; 2015 a. 55, 60, 84, 196, 216; 2017 a. 58, 59, 197, 231, 364; 2017 a. 365 s. 111.

3 **SECTION 23.** 71.26 (2) (b) 11. d. of the statutes is amended to read:

4 71.26 (2) (b) 11. d. For purposes of subd. 11. a., “Internal Revenue Code” does
5 not include amendments to the federal Internal Revenue Code enacted after
6 December 31, 2016, except that “Internal Revenue Code” includes sections 11024,
7 11025, and 13543 of P.L. 115-97 and sections 40307 and 40413 of P.L. 115-123.

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; 2015 a. 55, 60, 84, 196, 216; 2017 a. 58, 59, 197, 231, 364; 2017 a. 365 s. 111.

8 **SECTION 24.** 71.26 (2) (b) 12. a. of the statutes is amended to read:

9 71.26 (2) (b) 12. a. For taxable years beginning after December 31, 2017, and
10 before January 1, 2019, for a corporation, conduit, or common law trust which
11 qualifies as a regulated investment company, real estate mortgage investment
12 conduit, real estate investment trust, or financial asset securitization investment
13 trust under the Internal Revenue Code, “net income” means the federal regulated
14 investment company taxable income, federal real estate mortgage investment
15 conduit taxable income, federal real estate investment trust or financial asset
16 securitization investment trust taxable income of the corporation, conduit, or trust
17 as determined under the Internal Revenue Code.

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; 2015 a. 55, 60, 84, 196, 216; 2017 a. 58, 59, 197, 231, 364; 2017 a. 365 s. 111.

18 **SECTION 25.** 71.26 (2) (b) 12. e. of the statutes is amended to read:

19 71.26 (2) (b) 12. e. For purposes of subd. 12. a., the provisions of federal public
20 laws that directly or indirectly affect the Internal Revenue Code, as defined in this

1 subdivision, apply for Wisconsin purposes at the same time as for federal purposes,
 2 except that changes made by P.L. 115-63 and sections 11026, 11027, 11028, 13207,
 3 13306, 13307, 13308, 13311, 13312, 13501, 13705, 13821, and 13823 of P.L. 115-97
 4 first apply for taxable years beginning after December 31, 2017.

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; 2015 a. 55, 60, 84, 196, 216; 2017 a. 58, 59, 197, 231, 364; 2017 a. 365 s. 111.

5 **SECTION 26.** 71.26 (2) (b) 13. a) of the statutes is created to read:

6 71.26 (2) (b) 13. a. For taxable years beginning after December 31, 2018, for a
 7 corporation, conduit, or common law trust which qualifies as a regulated investment
 8 company, real estate mortgage investment conduit, real estate investment trust, or
 9 financial asset securitization investment trust under the Internal Revenue Code,
 10 "net income" means the federal regulated investment company taxable income,
 11 federal real estate mortgage investment conduit taxable income, federal real estate
 12 investment trust or financial asset securitization investment trust taxable income
 13 of the corporation, conduit, or trust as determined under the Internal Revenue Code.

14 b. For purposes of subd. 13. a., "Internal Revenue Code" means the federal
 15 Internal Revenue Code as amended to December 31, 2018, except as provided in
 16 subd. 13. c. and d. and s. 71.98 and subject to subd. 13. e.

17 c. For purposes of subd. 13. a., "Internal Revenue Code" does not include the
 18 following provisions of federal public laws for taxable years beginning after
 19 December 31, 2018: section 13113 of P.L. 103-66; sections 1, 3, 4, and 5 of P.L.
 20 106-519; sections 101, 102, and 422 of P.L. 108-357; sections 1310 and 1351 of P.L.
 21 109-58; section 11146 of P.L. 109-59; section 403 (q) of P.L. 109-135; section 513 of
 22 P.L. 109-222; sections 104 and 307 of P.L. 109-432; sections 8233 and 8235 of P.L.
 23 110-28; section 11 (e) and (g) of P.L. 110-172; section 301 of P.L. 110-245; section

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1 1535¹ of P.L. 110-246; section 302¹ of division A, section 40¹ of division B, and sections
 2 312², 322², 502 (c)², 707², and 80¹ of division C of P.L. 110-343; sections 123², 124¹, 125¹,
 3 150¹, and 150² of division B of P.L. 111-5; sections 211², 212², 213², 214², and 216² of P.L.
 4 111-226; sections 2011² and 2122² of P.L. 111-240; sections 753², 754², and 760² of P.L.
 5 111-312; section 1106² of P.L. 112-95; sections 104², 318², 322², 323², 324², 326², 327², and
 6 411² of P.L. 112-240; P.L. 114-7; section 1101² of P.L. 114-74; section 305² of division
 7 P of P.L. 114-113; sections 123², 125² to 128², 143², 144², 151² to 153², 165² to 167², 169² to
 8 171², 189², 191², 307², 326², and 411² of division Q of P.L. 114-113; sections 11011², (11012)²,
 9 13201 (a) to (e) and (g)², 13206², 13221², 13301², 13304 (a), (b), and (d)², 13531², 13601²,
 10 13801², 14101², 14102², 14103², 14201², 14202², 14211², 14212², 14213², 14214², 14215²,
 11 14221², 14222², 14301², 14302², 14304², and 14401² of P.L. 115-97; sections 40304², 40305²,
 12 40306², and 40412² of P.L. 115-123; section 101 (c) of division T of P.L. 115-141; and
 13 sections 101 (d) and (e)², 102², 201² to 207², 301², and 401 (a) (47) and (195)², (b) (13)², (17)²,
 14 (22) and (30)², and (d) (1) (D) (v)², (vi)², and (xiii)² and (xvii) (II) of division U of P.L.
 15 115-141.

16 d. For purposes of subd. 13. a., "Internal Revenue Code" does not include
 17 amendments to the federal Internal Revenue Code enacted after December 31, 2018.

18 e. For purposes of subd. 13. a., the provisions of federal public laws that directly
 19 or indirectly affect the Internal Revenue Code, as defined in this subdivision, apply
 20 for Wisconsin purposes at the same time as for federal purposes, except that changes
 21 made by sections 20101², 20102², 20104², 20201², 40201², 40202², 40203², 40308², 40309²,
 22 40311², 40414², 41101², 41104², 41115², and 41116² of P.L. 115-123 and section 101 (a), (b),
 23 and (h) of division U of P.L. 115-141² apply for taxable years beginning after
 24 December 31, 2018.

25 **SECTION 27.** 71.26 (2) (b) 14. of the statutes is created to read:

1 71.26 (2) (b) 14. For purposes of par. (b) 2., 2013 stats., “Internal Revenue Code”
2 includes section 109 of division U of P.L. 115-141.

3 **SECTION 28.** 71.34 (1g) (c) of the statutes is repealed.

4 **SECTION 29.** 71.34 (1g) (j) 3. m. of the statutes is created to read:

5 71.34 (1g) (j) 3. m. Sections 101 (m), (n), (o), (p), and (q) and 104 (a) of division
6 U of P.L. 115-141.

7 **SECTION 30.** 71.34 (1g) (k) 3. of the statutes is amended to read:

8 71.34 (1g) (k) 3. For purposes of this paragraph, “Internal Revenue Code” does
9 not include amendments to the federal Internal Revenue Code enacted after
10 December 31, 2016, except that “Internal Revenue Code” includes sections 11024,
11 11025, and 13543 of P.L. 115-97 and sections 40307 and 40413 of P.L. 115-123.

History: 1987 a. 312; 1987 a. 411 ss. 18, 23, 146; 1989 a. 31, 336; 1991 a. 39, 269; 1993 a. 16, 437; 1995 a. 27, 380, 428; 1997 a. 27, 37, 237; 1999 a. 9, 194; 2001 a. 16, 109; 2003 a. 33, 99, 135, 255, 326; 2005 a. 25, 49, 74, 361, 479, 483; 2007 a. 20, 96, 226; 2009 a. 2, 28, 161, 183, 265, 269, 295, 332; 2011 a. 32, 212, 232; 2011 a. 260 s. 80; 2013 a. 20; 2015 a. 55, 216; 2017 a. 17, 58, 59, 197, 231.

12 **SECTION 31.** 71.34 (1g) (L) 1. of the statutes is amended to read:

13 71.34 (1g) (L) 1. For taxable years beginning after December 31, 2017, and
14 before January 1, 2019, for tax option corporations, “Internal Revenue Code” means
15 the federal Internal Revenue Code as amended to December 31, 2017, except as
16 provided in subds. 2., 3., and 5. and s. 71.98 and subject to subd. 4.

History: 1987 a. 312; 1987 a. 411 ss. 18, 23, 146; 1989 a. 31, 336; 1991 a. 39, 269; 1993 a. 16, 437; 1995 a. 27, 380, 428; 1997 a. 27, 37, 237; 1999 a. 9, 194; 2001 a. 16, 109; 2003 a. 33, 99, 135, 255, 326; 2005 a. 25, 49, 74, 361, 479, 483; 2007 a. 20, 96, 226; 2009 a. 2, 28, 161, 183, 265, 269, 295, 332; 2011 a. 32, 212, 232; 2011 a. 260 s. 80; 2013 a. 20; 2015 a. 55, 216; 2017 a. 17, 58, 59, 197, 231.

17 **SECTION 32.** 71.34 (1g) (L) 4. of the statutes is amended to read:

18 71.34 (1g) (L) 4. For purposes of this paragraph, the provisions of federal public
19 laws that directly or indirectly affect the Internal Revenue Code, as defined in this
20 paragraph, apply for Wisconsin purposes at the same time as for federal purposes,
21 except that changes made by P.L. 115-63 and sections 11026, 11027, 11028, 13207,

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 ① 13306, 13307, 13308, 13311, 13312, 13501, 13705, 13821, and 13823 of P.L. 115-97

2 first apply for taxable years beginning after December 31, 2017.

History: 1987 a. 312; 1987 a. 411 ss. 18, 23, 146; 1989 a. 31, 336; 1991 a. 39, 269; 1993 a. 16, 437; 1995 a. 27, 380, 428; 1997 a. 27, 37, 237; 1999 a. 9, 194; 2001 a. 16, 109; 2003 a. 33, 99, 135, 255, 326; 2005 a. 25, 49, 74, 361, 479, 483; 2007 a. 20, 96, 226; 2009 a. 2, 28, 161, 183, 265, 269, 295, 332; 2011 a. 32, 212, 232; 2011 a. 260 s. 80; 2013 a. 20; 2015 a. 55, 216; 2017 a. 17, 58, 59, 197, 231.

3 **SECTION 33.** 71.34 (1g) (m) of the statutes is created to read:

4 71.34 (1g) (m) 1. For taxable years beginning after December 31, 2018, for tax
 5 option corporations, "Internal Revenue Code" means the federal Internal Revenue
 6 Code as amended to December 31, 2018, except as provided in subds. 2., 3., and 5. and
 7 s. 71.98 and subject to subd. 4.

8 2. For purposes of this paragraph, "Internal Revenue Code" does not include
 9 the following provisions of federal public laws for taxable years beginning after
 10 December 31, 2018: section 13113 of P.L. 103-66; sections 1, 3, 4, and 5 of P.L.
 11 106-519; sections 101, 102, and 422 of P.L. 108-357; sections 1310 and 1351 of P.L.
 12 109-58; section 11146 of P.L. 109-59; section 403 (q) of P.L. 109-135; section 513 of
 13 P.L. 109-222; sections 104 and 307 of P.L. 109-432; sections 8233 and 8235 of P.L.
 14 110-28; section 11 (e) and (g) of P.L. 110-172; section 301 of P.L. 110-245; section
 15 15351 of P.L. 110-246; section 302 of division A, section 401 of division B, and sections
 16 312, 322, 502 (c), 707, and 801 of division C of P.L. 110-343; sections 1232, 1241, 1251,
 17 1501, and 1502 of division B of P.L. 111-5; sections 211, 212, 213, 214, and 216 of P.L.
 18 111-226; sections 2011 and 2122 of P.L. 111-240; sections 753, 754, and 760 of P.L.
 19 111-312; section 1106 of P.L. 112-95; sections 104, 318, 322, 323, 324, 326, 327, and
 20 411 of P.L. 112-240; P.L. 114-7; section 1101 of P.L. 114-74; section 305 of division
 21 P of P.L. 114-113; sections 123, 125 to 128, 143, 144, 151 to 153, 165 to 167, 169 to
 22 171, 189, 191, 307, 326, and 411 of division Q of P.L. 114-113; sections 11011, 11012,
 23 13201 (a) to (e) and (g), 13206, 13221, 13301, 13304 (a), (b), and (d), 13531, 13601,

1 13801, 14101, 14102, 14103, 14201, 14202, 14211, 14212, 14213, 14214, 14215,
2 14221, 14222, 14301, 14302, 14304, and 14401 of P.L. 115-97; sections 40304, 40305,
3 40306, and 40412 of P.L. 115-123; section 101 (c) of division T of P.L. 115-141; and
4 sections 101 (d) and (e), 102, 201 to 207, 301, and 401 (a) (47) and (195), (b) (13), (17),
5 (22) and (30), and (d) (1) (D) (v), (vi), and (xiii) and (xvii) (II) of division U of P.L.
6 115-141.

7 3. For purposes of this paragraph, "Internal Revenue Code" does not include
8 amendments to the federal Internal Revenue Code enacted after December 31, 2018.

9 4. For purposes of this paragraph, the provisions of federal public laws that
10 directly or indirectly affect the Internal Revenue Code, as defined in this paragraph,
11 apply for Wisconsin purposes at the same time as for federal purposes, except that
12 changes made by sections 20101, 20102, 20104, 20201, 40201, 40202, 40203, 40308,
13 40309, 40311, 40414, 41101, 41104, 41115, and 41116 of PL. 115-123 and section 101
14 (a), (b), and (h) of division U of P.L. 115-141 apply for taxable years beginning after
15 December 31, 2018.

16 5. For purposes of this paragraph, section 1366 (f) of the Internal Revenue Code
17 (relating to pass-through of items to shareholders) is modified by substituting the
18 tax under s. 71.35 for the taxes under sections 1374 and 1375 of the Internal Revenue
19 Code.

20 **SECTION 34.** 71.34 (1u) of the statutes is created to read:

21 71.34 (1u) For purposes of sub. (1g) (b), 2013 stats., "Internal Revenue Code"
22 includes section 109 of division U of P.L. 115-141.

23 **SECTION 35.** 71.42 (2) (c) of the statutes is repealed.

24 **SECTION 36.** 71.42 (2) (j) 3. m. of the statutes is created to read:

1 71.42 (2) (j) 3. m. Sections 101 (m), (n), (o), (p), and (q) and 104 (a) of division
 2 U of P.L. 115-141.

3 SECTION 37. 71.42 (2) (k) 3. of the statutes is amended to read:

4 71.42 (2) (k) 3. For purposes of this paragraph, "Internal Revenue Code" does
 5 not include amendments to the federal Internal Revenue Code enacted after
 6 December 31, 2016, except that "Internal Revenue Code" includes sections 11024,
 7 11025, and 13543 of P.L. 115-97 and sections 40307 and 40413 of P.L. 115-123.

History: 1987 a. 312; 1987 a. 411 ss. 5, 148, 149; 1989 a. 31, 336; 1991 a. 39, 269; 1993 a. 16, 437; 1995 a. 27, 380, 428; 1997 a. 27, 37, 237; 1999 a. 9, 194; 2001 a. 16,
 109; 2003 a. 33; 2005 a. 25, 49; 2007 a. 20, 226; 2009 a. 2, 28, 161, 183; 2011 a. 32; 2013 a. 20; 2015 a. 55, 216; 2017 a. 59, 231.

8 SECTION 38. 71.42 (2) (L) 1. of the statutes is amended to read:

9 71.42 (2) (L) 1. For taxable years beginning after December 31, 2017, and
 10 before January 1, 2019, "Internal Revenue Code" means the federal Internal
 11 Revenue Code as amended to December 31, 2017, except as provided in subds. 2. to
 12 4. and s. 71.98 and subject to subd. 5.

History: 1987 a. 312; 1987 a. 411 ss. 5, 148, 149; 1989 a. 31, 336; 1991 a. 39, 269; 1993 a. 16, 437; 1995 a. 27, 380, 428; 1997 a. 27, 37, 237; 1999 a. 9, 194; 2001 a. 16,
 109; 2003 a. 33; 2005 a. 25, 49; 2007 a. 20, 226; 2009 a. 2, 28, 161, 183; 2011 a. 32; 2013 a. 20; 2015 a. 55, 216; 2017 a. 59, 231.

13 SECTION 39. 71.42 (2) (L) 5. of the statutes is amended to read:

14 71.42 (2) (L) 5. For purposes of this paragraph, the provisions of federal public
 15 laws that directly or indirectly affect the Internal Revenue Code, as defined in this
 16 paragraph, apply for Wisconsin purposes at the same time as for federal purposes,
 17 except that changes made by P.L. 115-63 and sections 11026, 11027, 11028, 13207,
 18 13306, 13307, 13308, 13311, 13312, 13501, 13705, 13821, and 13823 of P.L. 115-97
 19 first apply for taxable years beginning after December 31, 2017.

History: 1987 a. 312; 1987 a. 411 ss. 5, 148, 149; 1989 a. 31, 336; 1991 a. 39, 269; 1993 a. 16, 437; 1995 a. 27, 380, 428; 1997 a. 27, 37, 237; 1999 a. 9, 194; 2001 a. 16,
 109; 2003 a. 33; 2005 a. 25, 49; 2007 a. 20, 226; 2009 a. 2, 28, 161, 183; 2011 a. 32; 2013 a. 20; 2015 a. 55, 216; 2017 a. 59, 231.

20 SECTION 40. 71.42 (2) (m) of the statutes is created to read:

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1 71.42 (2) (m) 1. For taxable years beginning after December 31, 2018, "Internal
2 Revenue Code" means the federal Internal Revenue Code as amended to December
3 31, 2018, except as provided in subds. 2. to 4. and s. 71.98 and subject to subd. 5.

4 2. For purposes of this paragraph, "Internal Revenue Code" does not include
5 the following provisions of federal public laws for taxable years beginning after
6 December 31, 2018: section 13113 of P.L. 103-66; sections 1, 3, 4, and 5 of P.L.
7 106-519; sections 101, 102, and 422 of P.L. 108-357; sections 1310 and 1351 of P.L.
8 109-58; section 11146 of P.L. 109-59; section 403 (q) of P.L. 109-135; section 513 of
9 P.L. 109-222; sections 104 and 307 of P.L. 109-432; sections 8233 and 8235 of P.L.
10 110-28; section 11 (e) and (g) of P.L. 110-172; section 301 of P.L. 110-245; section
11 15351 of P.L. 110-246; section 302 of division A, section 401 of division B, and sections
12 312, 322, 502 (c), 707, and 801 of division C of P.L. 110-343; sections 1232, 1241, 1251,
13 1501, and 1502 of division B of P.L. 111-5; sections 211, 212, 213, 214, and 216 of P.L.
14 111-226; sections 2011 and 2122 of P.L. 111-240; sections 753, 754, and 760 of P.L.
15 111-312; section 1106 of P.L. 112-95; sections 104, 318, 322, 323, 324, 326, 327, and
16 411 of P.L. 112-240; P.L. 114-7; section 1101 of P.L. 114-74; section 305 of division
17 P of P.L. 114-113; sections 123, 125 to 128, 143, 144, 151 to 153, 165 to 167, 169 to
18 171, 189, 191, 307, 326, and 411 of division Q of P.L. 114-113; sections 11011, (11012),
19 13201 (a) to (e) and (g), (13206, 13221, 13301, 13304 (a), (b), and (d), 13531, 13601),
20 13801, 14101, 14102, 14103, 14201, 14202, 14211, 14212, 14213, 14214, 14215,
21 14221, 14222, 14301, 14302, 14304, and 14401 of P.L. 115-97; sections 40304, 40305,
22 40306, and 40412 of P.L. 115-123; section 101 (c) of division T of P.L. 115-141; and
23 sections 101 (d) and (e), 102, 201 to 207, 301, and 401 (a) (47) and (195), (b) (13), (17),
24 (22) and (30), and (d) (1) (D) (v), (vi), and (xiii) and (xvii) (II) of division U of P.L.
25 115-141.

**2019-2020 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB 1026/p1
.....

BILL INSERT

8-2

No new IP

\ “Internal Revenue Code,” for corporations that are subject to a tax on unrelated business income under s. 71.26 (1) (a), means the federal Internal Revenue Code as amended to December 31, 2018, except as provided in subds. 2. and 3. and s. 71.98 and subject to subd. 4.

Kreye, Joseph

From: Quinn, Brian D - DOA
Sent: Thursday, February 14, 2019 8:04 AM
To: Kreye, Joseph
Subject: Fw: IRC Update

FYI.

From: Oakleaf, Michael P - DOR
Sent: Thursday, February 14, 2019 7:07 AM
To: Quinn, Brian D - DOA
Cc: Schmidt, Robert K - DOR
Subject: FW: IRC Update

Brian,

This is in relation to the IRC update draft you sent us to review (LRB 19-1026/P1).

Recommended changes as noted below.

Mike

From: Chadwick, Jennifer C - DOR
Sent: Wednesday, February 13, 2019 4:03 PM
To: Petersen, Zachary A - DOR <Zachary.Petersen@wisconsin.gov>; Weber, Nathaniel R - DOR <Nathaniel.Weber@wisconsin.gov>
Cc: Oakleaf, Michael P - DOR <Michael.Oakleaf@wisconsin.gov>; Schmidt, Robert K - DOR <RobertK1.Schmidt@wisconsin.gov>; Caruth, Bradley R - DOR <Bradley.Caruth@wisconsin.gov>
Subject: RE: IRC Update

Zach,

I am not sure why these provisions were left out, but you are correct that the drafting we composed had these included. Upon further review, we do realize there are two provisions which do not need to be included in this list, as the federal effective date is after December 31, 2018. They are:

13206 – effective for federal purposes after 12/31/2021
13304(d) – effective for federal purposes after 12/31/2025

In addition, section 809 of P.L. 115-232 has no fiscal effect and was effective for federal purposes 8/13/2018. Since no fiscal effect is associated with this section, and they are only reference changes, we do not think it really needs to be included as a non-retroactive provision.

Therefore, we recommend the following provisions be included in 71.01(6)(m)4., 71.22(4)(m)4., 71.22(4m)(m)4., 71.26(2)(b)13.e., 71.34(1g)(m)4., and 71.42(2)(m)5.:

Sections 11012, 13221, 13301, 13304(a) and (b), 13531, and 13601 of P.L. 115-97

Jen

From: Petersen, Zachary A - DOR
Sent: Wednesday, February 13, 2019 10:15 AM
To: Weber, Nathaniel R - DOR <Nathaniel.Weber@wisconsin.gov>
Cc: Oakleaf, Michael P - DOR <Michael.Oakleaf@wisconsin.gov>; Chadwick, Jennifer C - DOR <Jennifer.Chadwick@wisconsin.gov>; Schmidt, Robert K - DOR <RobertK1.Schmidt@wisconsin.gov>; Caruth, Bradley R - DOR <Bradley.Caruth@wisconsin.gov>
Subject: IRC Update

Nate,

I was reviewing the IRC updates and comparing them to the drafting instructions we got late January. I noticed in subd. 4 for each section created there are two phrases that appear in the drafting instructions but do not appear in the draft. Those phrases are "... sections 11012, 13206, 13221, 13301, 13304, (a), (b), and (d), 13531, and 13601 of P.L. 115-97" and "...and section 809 of P.L. 115-232."

Did something change to omit those phrases, or was it just an oversight?

Zach Petersen