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

FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION

*in Thursday
2-14*

insert

1 **AN ACT ...; relating to:** the budget.

Analysis by the Legislative Reference Bureau

Internal Revenue Code references

sub: sub title

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2 **SECTION 1.** 71.01 (6) (c) of the statutes is repealed.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

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.

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.

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.

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

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

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

24 4. For purposes of this paragraph, the provisions of federal public laws that
25 directly or indirectly affect the Internal Revenue Code, as defined in this paragraph,

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1 apply for Wisconsin purposes at the same time as for federal purposes, except that
2 changes made by sections 20101, 20102, 20104, 20201, 40201, 40202, 40203, 40308,
3 40309, 40311, 40414, 41101, 41107, 41115, and 41116 of PL. 115-123, and section 101
4 (a), (b), and (h) of division U of P.L. 115-141 apply for taxable years beginning after
5 December 31, 2018.

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

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

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

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

11 71.22 (4) (j) 3. m. Sections 101 (m), (n), (o), (p), and (q) and 104 (a) of division
12 U of P.L. 115-141.

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

14 71.22 (4) (k) 3. For purposes of this paragraph, "Internal Revenue Code" does
15 not include amendments to the federal Internal Revenue Code enacted after
16 December 31, 2016, except that "Internal Revenue Code" includes sections 11024,
17 11025, and 13543 of P.L. 115-97 and sections 40307 and 40413 of P.L. 115-123.

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

19 71.22 (4) (L) 1. For taxable years beginning after December 31, 2017, and
20 before January 1, 2019, "Internal Revenue Code" means the federal Internal
21 Revenue Code as amended to December 31, 2017, except as provided in subds. 2. and
22 3. and subject to subd. 4., and except as provided in sub. (4m) and ss. 71.26 (2) (b) and
23 (3), 71.34 (1g), 71.42 (2), and 71.98.

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

1 71.22 (4) (L) 4. For purposes of this paragraph, the provisions of federal public
2 laws that directly or indirectly affect the Internal Revenue Code, as defined in this
3 paragraph, apply for Wisconsin purposes at the same time as for federal purposes,
4 except that changes made by P.L. 115-63 and sections 11026, 11027, 11028, 13207,
5 13306, 13307, 13308, 13311, 13312, 13501, 13705, 13821, and 13823 of P.L. 115-97
6 first apply for taxable years beginning after December 31, 2017.

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

8 71.22 (4) (m) 1. For taxable years beginning after December 31, 2018, "Internal
9 Revenue Code" means the federal Internal Revenue Code as amended to December
10 31, 2018, except as provided in subds. 2. and 3. and subject to subd. 4., and except
11 as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34 (1g), 71.42 (2), and 71.98.

12 2. For purposes of this paragraph, "Internal Revenue Code" does not include
13 the following provisions of federal public laws for taxable years beginning after
14 December 31, 2018: section 13113 of P.L. 103-66; sections 1, 3, 4, and 5 of P.L.
15 106-519; sections 101, 102, and 422 of P.L. 108-357; sections 1310 and 1351 of P.L.
16 109-58; section 11146 of P.L. 109-59; section 403 (q) of P.L. 109-135; section 513 of
17 P.L. 109-222; sections 104 and 307 of P.L. 109-432; sections 8233 and 8235 of P.L.
18 110-28; section 11 (e) and (g) of P.L. 110-172; section 301 of P.L. 110-245; section
19 15351 of P.L. 110-246; section 302 of division A, section 401 of division B, and sections
20 312, 322, 502 (c), 707, and 801 of division C of P.L. 110-343; sections 1232, 1241, 1251,
21 1501, and 1502 of division B of P.L. 111-5; sections 211, 212, 213, 214, and 216 of P.L.
22 111-226; sections 2011 and 2122 of P.L. 111-240; sections 753, 754, and 760 of P.L.
23 111-312; section 1106 of P.L. 112-95; sections 104, 318, 322, 323, 324, 326, 327, and
24 411 of P.L. 112-240; P.L. 114-7; section 1101 of P.L. 114-74; section 305 of division
25 P of P.L. 114-113; sections 123, 125 to 128, 143, 144, 151 to 153, 165 to 167, 169 to

1 171, 189, 191, 307, 326, and 411 of division Q of P.L. 114-113; sections 11011, 13201
2 (a) to (e) and (g), 13801, 14101, 14102, 14103, 14201, 14202, 14211, 14212, 14213,
3 14214, 14215, 14221, 14222, 14301, 14302, 14304, and 14401 of P.L. 115-97; sections
4 40304, 40305, 40306, and 40412 of P.L. 115-123; section 101 (c) of division T of P.L.
5 115-141; and sections 101 (d) and (e), 102, 201 to 207, 301, 302, and 401 (a) (47) and
6 (195), (b) (13), (17), (22) and (30), and (d) (1) (D) (v), (vi), and (xiii) and (xvii) (II) of
7 division U of P.L. 115-141.

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

10 4. For purposes of this paragraph, the provisions of federal public laws that
11 directly or indirectly affect the Internal Revenue Code, as defined in this paragraph,
12 apply for Wisconsin purposes at the same time as for federal purposes, except that
13 changes made by sections 20101, 20102, 20104, 20201, 40201, 40202, 40203, 40308,
14 40309, 40311, 40414, 41101, 41107, 41115, and 41116 of PL. 115-123 and section 101
15 (a), (b), and (h) of division U of P.L. 115-141 apply for taxable years beginning after
16 December 31, 2018.

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

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

19 71.22 (4m) (j) 3. m. Sections 101 (m), (n), (o), (p), and (q) and 104 (a) of division
20 U of P.L. 115-141.

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

22 71.22 (4m) (k) 3. For purposes of this paragraph, "Internal Revenue Code" does
23 not include amendments to the federal Internal Revenue Code enacted after
24 December 31, 2016, except that "Internal Revenue Code" includes sections 11024,
25 11025, and 13543 of P.L. 115-97 and sections 40307 and 40413 of P.L. 115-123.

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

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

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

8 71.22 (4m) (L) 4. For purposes of this paragraph, the provisions of federal
9 public laws that directly or indirectly affect the Internal Revenue Code, as defined
10 in this paragraph, apply for Wisconsin purposes at the same time as for federal
11 purposes, except that changes made by P.L. 115-63 and sections 11026, 11027, 11028,
12 13207, 13306, 13307, 13308, 13311, 13312, 13501, 13705, 13821, and 13823 of P.L.
13 115-97 first apply for taxable years beginning after December 31, 2017.

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

15 71.22 (4m) (m) 1. For taxable years beginning after December 31, 2018,
16 “Internal Revenue Code,” for corporations that are subject to a tax on unrelated
17 business income under s. 71.26 (1) (a), means the federal Internal Revenue Code as
18 amended to December 31, 2018, except as provided in subds. 2. and 3. and s. 71.98
19 and subject to subd. 4.

20 2. For purposes of this paragraph, “Internal Revenue Code” does not include
21 the following provisions of federal public laws for taxable years beginning after
22 December 31, 2018: section 13113 of P.L. 103-66; sections 1, 3, 4, and 5 of P.L.
23 106-519; sections 101, 102, and 422 of P.L. 108-357; sections 1310 and 1351 of P.L.
24 109-58; section 11146 of P.L. 109-59; section 403 (q) of P.L. 109-135; section 513 of
25 P.L. 109-222; sections 104 and 307 of P.L. 109-432; sections 8233 and 8235 of P.L.

1 110-28; section 11 (e) and (g) of P.L. 110-172; section 301 of P.L. 110-245; section
2 15351 of P.L. 110-246; section 302 of division A, section 401 of division B, and sections
3 312, 322, 502 (c), 707, and 801 of division C of P.L. 110-343; sections 1232, 1241, 1251,
4 1501, and 1502 of division B of P.L. 111-5; sections 211, 212, 213, 214, and 216 of P.L.
5 111-226; sections 2011 and 2122 of P.L. 111-240; sections 753, 754, and 760 of P.L.
6 111-312; section 1106 of P.L. 112-95; sections 104, 318, 322, 323, 324, 326, 327, and
7 411 of P.L. 112-240; P.L. 114-7; section 1101 of P.L. 114-74; section 305 of division
8 P of P.L. 114-113; sections 123, 125 to 128, 143, 144, 151 to 153, 165 to 167, 169 to
9 171, 189, 191, 307, 326, and 411 of division Q of P.L. 114-113; sections 11011, 13201
10 (a) to (e) and (g), 13801, 14101, 14102, 14103, 14201, 14202, 14211, 14212, 14213,
11 14214, 14215, 14221, 14222, 14301, 14302, 14304, and 14401 of P.L. 115-97; sections
12 40304, 40305, 40306, and 40412 of P.L. 115-123; section 101 (c) of division T of P.L.
13 115-141; and sections 101 (d) and (e), 102, 201 to 207, 301, 302, and 401 (a) (47) and
14 (195), (b) (13), (17), (22) and (30), and (d) (1) (D) (v), (vi), and (xiii) and (xvii) (II) of
15 division U of P.L. 115-141.

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

18 4. For purposes of this paragraph, the provisions of federal public laws that
19 directly or indirectly affect the Internal Revenue Code, as defined in this paragraph,
20 apply for Wisconsin purposes at the same time as for federal purposes, except that
21 changes made by sections 20101, 20102, 20104, 20201, 40201, 40202, 40203, 40308,
22 40309, 40311, 40414, 41101, 41107, 41115, and 41116 of PL. 115-123 and section 101
23 (a), (b), and (h) of division U of P.L. 115-141 apply for taxable years beginning after
24 December 31, 2018.

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

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1 71.22 (5g) For purposes of sub. (4) (b) and (4m) (b), 2013 stats., “Internal
2 Revenue Code” includes section 109 of division U of P.L. 115-141.

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

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

5 71.26 (2) (b) 10. d. For purposes of subd. 10. a., “Internal Revenue Code” does
6 not include amendments to the federal Internal Revenue Code enacted after
7 December 31, 2013, except that “Internal Revenue Code” includes the provisions of
8 P.L. 113-97, P.L. 113-159, P.L. 113-168, section 302901 of P.L. 113-287, sections 171,
9 172, and 201 to 221 of P.L. 113-295, sections 102, 105, and 207 of division B of P.L.
10 113-295, P.L. 114-14, P.L. 114-26, section 2004 of P.L. 114-41, sections 503 and 504
11 of P.L. 114-74, sections 103, 104, 124, 168, 184, 185, 190, 204, 303, 306, 336, and 341
12 of division Q of P.L. 114-113, and P.L. 114-239, and sections 101 (m), (n), (o), (p), and
13 (q) and 104 (a) of division U of P.L. 115-141.

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

15 71.26 (2) (b) 11. d. For purposes of subd. 11. a., “Internal Revenue Code” does
16 not include amendments to the federal Internal Revenue Code enacted after
17 December 31, 2016, except that “Internal Revenue Code” includes sections 11024,
18 11025, and 13543 of P.L. 115-97 and sections 40307 and 40413 of P.L. 115-123.

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

20 71.26 (2) (b) 12. a. For taxable years beginning after December 31, 2017, and
21 before January 1, 2019, for a corporation, conduit, or common law trust which
22 qualifies as a regulated investment company, real estate mortgage investment
23 conduit, real estate investment trust, or financial asset securitization investment
24 trust under the Internal Revenue Code, “net income” means the federal regulated
25 investment company taxable income, federal real estate mortgage investment

1 conduit taxable income, federal real estate investment trust or financial asset
2 securitization investment trust taxable income of the corporation, conduit, or trust
3 as determined under the Internal Revenue Code.

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

5 71.26 (2) (b) 12. e. For purposes of subd. 12. a., the provisions of federal public
6 laws that directly or indirectly affect the Internal Revenue Code, as defined in this
7 subdivision, 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.

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

12 71.26 (2) (b) 13. a. For taxable years beginning after December 31, 2018, for a
13 corporation, conduit, or common law trust which qualifies as a regulated investment
14 company, real estate mortgage investment conduit, real estate investment trust, or
15 financial asset securitization investment trust under the Internal Revenue Code,
16 “net income” means the federal regulated investment company taxable income,
17 federal real estate mortgage investment conduit taxable income, federal real estate
18 investment trust or financial asset securitization investment trust taxable income
19 of the corporation, conduit, or trust as determined under the Internal Revenue Code.

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

23 c. For purposes of subd. 13. a., “Internal Revenue Code” does not include the
24 following provisions of federal public laws for taxable years beginning after
25 December 31, 2018: section 13113 of P.L. 103-66; sections 1, 3, 4, and 5 of P.L.

1 106-519; sections 101, 102, and 422 of P.L. 108-357; sections 1310 and 1351 of P.L.
2 109-58; section 11146 of P.L. 109-59; section 403 (q) of P.L. 109-135; section 513 of
3 P.L. 109-222; sections 104 and 307 of P.L. 109-432; sections 8233 and 8235 of P.L.
4 110-28; section 11 (e) and (g) of P.L. 110-172; section 301 of P.L. 110-245; section
5 15351 of P.L. 110-246; section 302 of division A, section 401 of division B, and sections
6 312, 322, 502 (c), 707, and 801 of division C of P.L. 110-343; sections 1232, 1241, 1251,
7 1501, and 1502 of division B of P.L. 111-5; sections 211, 212, 213, 214, and 216 of P.L.
8 111-226; sections 2011 and 2122 of P.L. 111-240; sections 753, 754, and 760 of P.L.
9 111-312; section 1106 of P.L. 112-95; sections 104, 318, 322, 323, 324, 326, 327, and
10 411 of P.L. 112-240; P.L. 114-7; section 1101 of P.L. 114-74; section 305 of division
11 P of P.L. 114-113; sections 123, 125 to 128, 143, 144, 151 to 153, 165 to 167, 169 to
12 171, 189, 191, 307, 326, and 411 of division Q of P.L. 114-113; sections 11011, 13201
13 (a) to (e) and (g), 13801, 14101, 14102, 14103, 14201, 14202, 14211, 14212, 14213,
14 14214, 14215, 14221, 14222, 14301, 14302, 14304, and 14401 of P.L. 115-97; sections
15 40304, 40305, 40306, and 40412 of P.L. 115-123; section 101 (c) of division T of P.L.
16 115-141; and sections 101 (d) and (e), 102, 201 to 207, 301, 302, and 401 (a) (47) and
17 (195), (b) (13), (17), (22) and (30), and (d) (1) (D) (v), (vi), and (xiii) and (xvii) (II) of
18 division U of P.L. 115-141.

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

21 e. For purposes of subd. 13. a., the provisions of federal public laws that directly
22 or indirectly affect the Internal Revenue Code, as defined in this subdivision, apply
23 for Wisconsin purposes at the same time as for federal purposes, except that changes
24 made by sections 20101, 20102, 20104, 20201, 40201, 40202, 40203, 40308, 40309,
25 40311, 40414, 41101, 41107, 41115, and 41116 of PL. 115-123 and section 101 (a), (b),

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1 and (h) of division U of P.L. 115-141 apply for taxable years beginning after
2 December 31, 2018.

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

4 71.26 (2) (b) 14. For purposes of par. (b) 2., 2013 stats., “Internal Revenue Code”
5 includes section 109 of division U of P.L. 115-141.

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

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

8 71.34 (1g) (j) 3. m. Sections 101 (m), (n), (o), (p), and (q) and 104 (a) of division
9 U of P.L. 115-141.

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

11 71.34 (1g) (k) 3. For purposes of this paragraph, “Internal Revenue Code” does
12 not include amendments to the federal Internal Revenue Code enacted after
13 December 31, 2016, except that “Internal Revenue Code” includes sections 11024,
14 11025, and 13543 of P.L. 115-97 and sections 40307 and 40413 of P.L. 115-123.

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

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

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

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

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.

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, 13201
23 (a) to (e) and (g), 13801, 14101, 14102, 14103, 14201, 14202, 14211, 14212, 14213,
24 14214, 14215, 14221, 14222, 14301, 14302, 14304, and 14401 of P.L. 115-97; sections
25 40304, 40305, 40306, and 40412 of P.L. 115-123; section 101 (c) of division T of P.L.

Insert 14-9

1 115-141; and sections 101 (d) and (e), 102, 201 to 207, 301, 302, and 401 (a) (47) and
2 (195), (b) (13), (17), (22) and (30), and (d) (1) (D) (v), (vi), and (xiii) and (xvii) (II) of
3 division U of P.L. 115-141.

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

6 4. For purposes of this paragraph, the provisions of federal public laws that
7 directly or indirectly affect the Internal Revenue Code, as defined in this paragraph,
8 apply for Wisconsin purposes at the same time as for federal purposes, except that

9 changes made by sections 20101, 20102, 20104, 20201, 40201, 40202, 40203, 40308,
10 40309, 40311, 40414, 41101, 41107, 41115, and 41116 of PL. 115-123 and section 101
11 (a), (b), and (h) of division U of P.L. 115-141 apply for taxable years beginning after
12 December 31, 2018.

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

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

18 71.34 (1u) For purposes of sub. (1g) (b), 2013 stats., "Internal Revenue Code"
19 includes section 109 of division U of P.L. 115-141.

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

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

22 71.42 (2) (j) 3. m. Sections 101 (m), (n), (o), (p), and (q) and 104 (a) of division
23 U of P.L. 115-141.

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

1 71.42 (2) (k) 3. For purposes of this paragraph, “Internal Revenue Code” does
2 not include amendments to the federal Internal Revenue Code enacted after
3 December 31, 2016, except that “Internal Revenue Code” includes sections 11024,
4 11025, and 13543 of P.L. 115-97 and sections 40307 and 40413 of P.L. 115-123.

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

6 71.42 (2) (L) 1. For taxable years beginning after December 31, 2017, and
7 before January 1, 2019, “Internal Revenue Code” means the federal Internal
8 Revenue Code as amended to December 31, 2017, except as provided in subds. 2. to
9 4. and s. 71.98 and subject to subd. 5.

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

11 71.42 (2) (L) 5. For purposes of this paragraph, the provisions of federal public
12 laws that directly or indirectly affect the Internal Revenue Code, as defined in this
13 paragraph, apply for Wisconsin purposes at the same time as for federal purposes,
14 except that changes made by P.L. 115-63 and sections 11026, 11027, 11028, 13207,
15 13306, 13307, 13308, 13311, 13312, 13501, 13705, 13821, and 13823 of P.L. 115-97
16 first apply for taxable years beginning after December 31, 2017.

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

18 71.42 (2) (m) 1. For taxable years beginning after December 31, 2018, “Internal
19 Revenue Code” means the federal Internal Revenue Code as amended to December
20 31, 2018, except as provided in subds. 2. to 4. and s. 71.98 and subject to subd. 5.

21 2. For purposes of this paragraph, “Internal Revenue Code” does not include
22 the following provisions of federal public laws for taxable years beginning after
23 December 31, 2018: section 13113 of P.L. 103-66; sections 1, 3, 4, and 5 of P.L.
24 106-519; sections 101, 102, and 422 of P.L. 108-357; sections 1310 and 1351 of P.L.
25 109-58; section 11146 of P.L. 109-59; section 403 (q) of P.L. 109-135; section 513 of

1 P.L. 109-222; sections 104 and 307 of P.L. 109-432; sections 8233 and 8235 of P.L.
2 110-28; section 11 (e) and (g) of P.L. 110-172; section 301 of P.L. 110-245; section
3 15351 of P.L. 110-246; section 302 of division A, section 401 of division B, and sections
4 312, 322, 502 (c), 707, and 801 of division C of P.L. 110-343; sections 1232, 1241, 1251,
5 1501, and 1502 of division B of P.L. 111-5; sections 211, 212, 213, 214, and 216 of P.L.
6 111-226; sections 2011 and 2122 of P.L. 111-240; sections 753, 754, and 760 of P.L.
7 111-312; section 1106 of P.L. 112-95; sections 104, 318, 322, 323, 324, 326, 327, and
8 411 of P.L. 112-240; P.L. 114-7; section 1101 of P.L. 114-74; section 305 of division
9 P of P.L. 114-113; sections 123, 125 to 128, 143, 144, 151 to 153, 165 to 167, 169 to
10 171, 189, 191, 307, 326, and 411 of division Q of P.L. 114-113; sections 11011, 13201
11 (a) to (e) and (g), 13801, 14101, 14102, 14103, 14201, 14202, 14211, 14212, 14213,
12 14214, 14215, 14221, 14222, 14301, 14302, 14304, and 14401 of P.L. 115-97; sections
13 40304, 40305, 40306, and 40412 of P.L. 115-123; section 101 (c) of division T of P.L.
14 115-141; and sections 101 (d) and (e), 102, 201 to 207, 301, 302, and 401 (a) (47) and
15 (195), (b) (13), (17), (22) and (30), and (d) (1) (D) (v), (vi), and (xiii) and (xvii) (II) of
16 division U of P.L. 115-141.

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

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

21 5. For purposes of this paragraph, the provisions of federal public laws that
22 directly or indirectly affect the Internal Revenue Code, as defined in this paragraph,
23 apply for Wisconsin purposes at the same time as for federal purposes, except that
24 changes made by sections 20101, 20102, 20104, 20201, 40201, 40202, 40203, 40308,
25 40309, 40311, 40414, 41101, 41107, 41115, and 41116 of PL. 115-123 and section 101

Insert 16-24

1 (a), (b), and (h) of division U of P.L. 115-141 apply for taxable years beginning after
2 December 31, 2018.

3 **SECTION 41.** 71.42 (2p) of the statutes is created to read:

4 71.42 **(2p)** For purposes of sub. (2) (b), 2013 stats., "Internal Revenue Code"
5 includes section 109 of division U of P.L. 115-141.

6 (END)

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

LRB-1026/P2ins
JK:cde

Insert 4 - 2

1 11012, 13221, 13301, 13304 (a) and (b), 13531, and 13601 of P.L. 115-97,

Insert 6 - 13

2 11012, 13221, 13301, 13304 (a) and (b), 13531, and 13601 of P.L. 115-97,

Insert 8 - 21

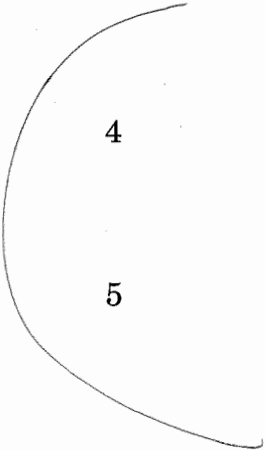
3 11012, 13221, 13301, 13304 (a) and (b), 13531, and 13601 of P.L. 115-97,

Insert 14 - 9

4 11012, 13221, 13301, 13304 (a) and (b), 13531, and 13601 of P.L. 115-97,

Insert 16 - 24

5 11012, 13221, 13301, 13304 (a) and (b), 13531, and 13601 of P.L. 115-97,



*Insert 11-24
(Same as above)*



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-1026/P2

JK:cde

DOA:.....Quinn, BB0142 - Internal Revenue Code update

FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION

1 **AN ACT ...; relating to:** the budget.

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

1. Internal Revenue Code references

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:

SECTION 2

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

4 71.01 (6) (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.

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

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

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

15 71.01 (6) (L) 4. For purposes of this paragraph, the provisions of federal public
16 laws that directly or indirectly affect the Internal Revenue Code, as defined in this
17 paragraph, apply for Wisconsin purposes at the same time as for federal purposes,
18 except that changes made by P.L. 115-63 and sections 11026, 11027, 11028, 13207,
19 13306, 13307, 13308, 13311, 13312, 13501, 13705, 13821, and 13823 of P.L. 115-97
20 first apply for taxable years beginning after December 31, 2017.

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

22 71.01 (6) (m) 1. For taxable years beginning after December 31, 2018, for
23 individuals and fiduciaries, except fiduciaries of nuclear decommissioning trust or
24 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, 13201
18 (a) to (e) and (g), 13801, 14101, 14102, 14103, 14201, 14202, 14211, 14212, 14213,
19 14214, 14215, 14221, 14222, 14301, 14302, 14304, and 14401 of P.L. 115-97; sections
20 40304, 40305, 40306, and 40412 of P.L. 115-123; section 101 (c) of division T of P.L.
21 115-141; and sections 101 (d) and (e), 102, 201 to 207, 301, 302, and 401 (a) (47) and
22 (195), (b) (13), (17), (22) and (30), and (d) (1) (D) (v), (vi), and (xiii) and (xvii) (II) of
23 division U of P.L. 115-141.

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

1 4. For purposes of this paragraph, the provisions of federal public laws that
2 directly or indirectly affect the Internal Revenue Code, as defined in this paragraph,
3 apply for Wisconsin purposes at the same time as for federal purposes, except that
4 changes made by sections 11012, 13221, 13301, 13304 (a) and (b), 13531, and 13601
5 of P.L. 115-97, 20101, 20102, 20104, 20201, 40201, 40202, 40203, 40308, 40309,
6 40311, 40414, 41101, 41107, 41115, and 41116 of PL. 115-123 and section 101 (a), (b),
7 and (h) of division U of P.L. 115-141 apply for taxable years beginning after
8 December 31, 2018.

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

10 71.01 (7g) For purposes of sub. (6) (b), 2013 stats., “Internal Revenue Code”
11 includes section 109 of division U of P.L. 115-141.

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

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

14 71.22 (4) (j) 3. m. Sections 101 (m), (n), (o), (p), and (q) and 104 (a) of division
15 U of P.L. 115-141.

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

17 71.22 (4) (k) 3. For purposes of this paragraph, “Internal Revenue Code” does
18 not include amendments to the federal Internal Revenue Code enacted after
19 December 31, 2016, except that “Internal Revenue Code” includes sections 11024,
20 11025, and 13543 of P.L. 115-97 and sections 40307 and 40413 of P.L. 115-123.

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

22 71.22 (4) (L) 1. For taxable years beginning after December 31, 2017, and
23 before January 1, 2019, “Internal Revenue Code” means the federal Internal
24 Revenue Code as amended to December 31, 2017, except as provided in subds. 2. and

1 3. and subject to subd. 4., and except as provided in sub. (4m) and ss. 71.26 (2) (b) and
2 (3), 71.34 (1g), 71.42 (2), and 71.98.

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

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

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

11 71.22 (4) (m) 1. For taxable years beginning after December 31, 2018, "Internal
12 Revenue Code" means the federal Internal Revenue Code as amended to December
13 31, 2018, except as provided in subds. 2. and 3. and subject to subd. 4., and except
14 as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34 (1g), 71.42 (2), and 71.98.

15 2. For purposes of this paragraph, "Internal Revenue Code" does not include
16 the following provisions of federal public laws for taxable years beginning after
17 December 31, 2018: section 13113 of P.L. 103-66; sections 1, 3, 4, and 5 of P.L.
18 106-519; sections 101, 102, and 422 of P.L. 108-357; sections 1310 and 1351 of P.L.
19 109-58; section 11146 of P.L. 109-59; section 403 (q) of P.L. 109-135; section 513 of
20 P.L. 109-222; sections 104 and 307 of P.L. 109-432; sections 8233 and 8235 of P.L.
21 110-28; section 11 (e) and (g) of P.L. 110-172; section 301 of P.L. 110-245; section
22 15351 of P.L. 110-246; section 302 of division A, section 401 of division B, and sections
23 312, 322, 502 (c), 707, and 801 of division C of P.L. 110-343; sections 1232, 1241, 1251,
24 1501, and 1502 of division B of P.L. 111-5; sections 211, 212, 213, 214, and 216 of P.L.
25 111-226; sections 2011 and 2122 of P.L. 111-240; sections 753, 754, and 760 of P.L.

1 111-312; section 1106 of P.L. 112-95; sections 104, 318, 322, 323, 324, 326, 327, and
2 411 of P.L. 112-240; P.L. 114-7; section 1101 of P.L. 114-74; section 305 of division
3 P of P.L. 114-113; sections 123, 125 to 128, 143, 144, 151 to 153, 165 to 167, 169 to
4 171, 189, 191, 307, 326, and 411 of division Q of P.L. 114-113; sections 11011, 13201
5 (a) to (e) and (g), 13801, 14101, 14102, 14103, 14201, 14202, 14211, 14212, 14213,
6 14214, 14215, 14221, 14222, 14301, 14302, 14304, and 14401 of P.L. 115-97; sections
7 40304, 40305, 40306, and 40412 of P.L. 115-123; section 101 (c) of division T of P.L.
8 115-141; and sections 101 (d) and (e), 102, 201 to 207, 301, 302, and 401 (a) (47) and
9 (195), (b) (13), (17), (22) and (30), and (d) (1) (D) (v), (vi), and (xiii) and (xvii) (II) of
10 division U of P.L. 115-141.

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

13 4. For purposes of this paragraph, the provisions of federal public laws that
14 directly or indirectly affect the Internal Revenue Code, as defined in this paragraph,
15 apply for Wisconsin purposes at the same time as for federal purposes, except that
16 changes made by sections 11012, 13221, 13301, 13304 (a) and (b), 13531, and 13601
17 of P.L. 115-97, 20101, 20102, 20104, 20201, 40201, 40202, 40203, 40308, 40309,
18 40311, 40414, 41101, 41107, 41115, and 41116 of P.L. 115-123 and section 101 (a), (b),
19 and (h) of division U of P.L. 115-141 apply for taxable years beginning after
20 December 31, 2018.

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

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

23 71.22 (4m) (j) 3. m. Sections 101 (m), (n), (o), (p), and (q) and 104 (a) of division
24 U of P.L. 115-141.

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

1 71.22 (4m) (k) 3. For purposes of this paragraph, “Internal Revenue Code” does
2 not include amendments to the federal Internal Revenue Code enacted after
3 December 31, 2016, except that “Internal Revenue Code” includes sections 11024,
4 11025, and 13543 of P.L. 115-97 and sections 40307 and 40413 of P.L. 115-123.

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

6 71.22 (4m) (L) 1. For taxable years beginning after December 31, 2017, and
7 before January 1, 2019, “Internal Revenue Code”, for corporations that are subject
8 to a tax on unrelated business income under s. 71.26 (1) (a), means the federal
9 Internal Revenue Code as amended to December 31, 2017, except as provided in
10 subds. 2. and 3. and s. 71.98 and subject to subd. 4.

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

12 71.22 (4m) (L) 4. For purposes of this paragraph, the provisions of federal
13 public laws that directly or indirectly affect the Internal Revenue Code, as defined
14 in this paragraph, apply for Wisconsin purposes at the same time as for federal
15 purposes, except that changes made by P.L. 115-63 and sections 11026, 11027, 11028,
16 13207, 13306, 13307, 13308, 13311, 13312, 13501, 13705, 13821, and 13823 of P.L.
17 115-97 first apply for taxable years beginning after December 31, 2017.

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

19 71.22 (4m) (m) 1. For taxable years beginning after December 31, 2018,
20 “Internal Revenue Code,” for corporations that are subject to a tax on unrelated
21 business income under s. 71.26 (1) (a), means the federal Internal Revenue Code as
22 amended to December 31, 2018, except as provided in subds. 2. and 3. and s. 71.98
23 and subject to subd. 4.

24 2. For purposes of this paragraph, “Internal Revenue Code” does not include
25 the following provisions of federal public laws for taxable years beginning after

SECTION 19

1 December 31, 2018: section 13113 of P.L. 103-66; sections 1, 3, 4, and 5 of P.L.
2 106-519; sections 101, 102, and 422 of P.L. 108-357; sections 1310 and 1351 of P.L.
3 109-58; section 11146 of P.L. 109-59; section 403 (q) of P.L. 109-135; section 513 of
4 P.L. 109-222; sections 104 and 307 of P.L. 109-432; sections 8233 and 8235 of P.L.
5 110-28; section 11 (e) and (g) of P.L. 110-172; section 301 of P.L. 110-245; section
6 15351 of P.L. 110-246; section 302 of division A, section 401 of division B, and sections
7 312, 322, 502 (c), 707, and 801 of division C of P.L. 110-343; sections 1232, 1241, 1251,
8 1501, and 1502 of division B of P.L. 111-5; sections 211, 212, 213, 214, and 216 of P.L.
9 111-226; sections 2011 and 2122 of P.L. 111-240; sections 753, 754, and 760 of P.L.
10 111-312; section 1106 of P.L. 112-95; sections 104, 318, 322, 323, 324, 326, 327, and
11 411 of P.L. 112-240; P.L. 114-7; section 1101 of P.L. 114-74; section 305 of division
12 P of P.L. 114-113; sections 123, 125 to 128, 143, 144, 151 to 153, 165 to 167, 169 to
13 171, 189, 191, 307, 326, and 411 of division Q of P.L. 114-113; sections 11011, 13201
14 (a) to (e) and (g), 13801, 14101, 14102, 14103, 14201, 14202, 14211, 14212, 14213,
15 14214, 14215, 14221, 14222, 14301, 14302, 14304, and 14401 of P.L. 115-97; sections
16 40304, 40305, 40306, and 40412 of P.L. 115-123; section 101 (c) of division T of P.L.
17 115-141; and sections 101 (d) and (e), 102, 201 to 207, 301, 302, and 401 (a) (47) and
18 (195), (b) (13), (17), (22) and (30), and (d) (1) (D) (v), (vi), and (xiii) and (xvii) (II) of
19 division U of P.L. 115-141.

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

22 4. For purposes of this paragraph, the provisions of federal public laws that
23 directly or indirectly affect the Internal Revenue Code, as defined in this paragraph,
24 apply for Wisconsin purposes at the same time as for federal purposes, except that
25 changes made by sections 11012, 13221, 13301, 13304 (a) and (b), 13531, and 13601

1 of P.L. 115-97, 20101, 20102, 20104, 20201, 40201, 40202, 40203, 40308, 40309,
2 40311, 40414, 41101, 41107, 41115, and 41116 of PL. 115-123 and section 101 (a), (b),
3 and (h) of division U of P.L. 115-141 apply for taxable years beginning after
4 December 31, 2018.

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

6 71.22 (5g) For purposes of subs. (4) (b) and (4m) (b), 2013 stats., “Internal
7 Revenue Code” includes section 109 of division U of P.L. 115-141.

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

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

10 71.26 (2) (b) 10. d. For purposes of subd. 10. a., “Internal Revenue Code” does
11 not include amendments to the federal Internal Revenue Code enacted after
12 December 31, 2013, except that “Internal Revenue Code” includes the provisions of
13 P.L. 113-97, P.L. 113-159, P.L. 113-168, section 302901 of P.L. 113-287, sections 171,
14 172, and 201 to 221 of P.L. 113-295, sections 102, 105, and 207 of division B of P.L.
15 113-295, P.L. 114-14, P.L. 114-26, section 2004 of P.L. 114-41, sections 503 and 504
16 of P.L. 114-74, sections 103, 104, 124, 168, 184, 185, 190, 204, 303, 306, 336, and 341
17 of division Q of P.L. 114-113, and P.L. 114-239, and sections 101 (m), (n), (o), (p), and
18 (q) and 104 (a) of division U of P.L. 115-141.

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

20 71.26 (2) (b) 11. d. For purposes of subd. 11. a., “Internal Revenue Code” does
21 not include amendments to the federal Internal Revenue Code enacted after
22 December 31, 2016, except that “Internal Revenue Code” includes sections 11024,
23 11025, and 13543 of P.L. 115-97 and sections 40307 and 40413 of P.L. 115-123.

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

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

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

11 71.26 (2) (b) 12. e. For purposes of subd. 12. a., the provisions of federal public
12 laws that directly or indirectly affect the Internal Revenue Code, as defined in this
13 subdivision, apply for Wisconsin purposes at the same time as for federal purposes,
14 except that changes made by P.L. 115-63 and sections 11026, 11027, 11028, 13207,
15 13306, 13307, 13308, 13311, 13312, 13501, 13705, 13821, and 13823 of P.L. 115-97
16 first apply for taxable years beginning after December 31, 2017.

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

18 71.26 (2) (b) 13. a. For taxable years beginning after December 31, 2018, for a
19 corporation, conduit, or common law trust which qualifies as a regulated investment
20 company, real estate mortgage investment conduit, real estate investment trust, or
21 financial asset securitization investment trust under the Internal Revenue Code,
22 “net income” means the federal regulated investment company taxable income,
23 federal real estate mortgage investment conduit taxable income, federal real estate
24 investment trust or financial asset securitization investment trust taxable income
25 of the corporation, conduit, or trust as determined under the Internal Revenue Code.

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

4 c. For purposes of subd. 13. a., “Internal Revenue Code” does not include the
5 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, 13201
19 (a) to (e) and (g), 13801, 14101, 14102, 14103, 14201, 14202, 14211, 14212, 14213,
20 14214, 14215, 14221, 14222, 14301, 14302, 14304, and 14401 of P.L. 115-97; sections
21 40304, 40305, 40306, and 40412 of P.L. 115-123; section 101 (c) of division T of P.L.
22 115-141; and sections 101 (d) and (e), 102, 201 to 207, 301, 302, and 401 (a) (47) and
23 (195), (b) (13), (17), (22) and (30), and (d) (1) (D) (v), (vi), and (xiii) and (xvii) (II) of
24 division U of P.L. 115-141.

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

3 e. For purposes of subd. 13. a., the provisions of federal public laws that directly
4 or indirectly affect the Internal Revenue Code, as defined in this subdivision, apply
5 for Wisconsin purposes at the same time as for federal purposes, except that changes
6 made by sections 11012, 13221, 13301, 13304 (a) and (b), 13531, and 13601 of P.L.
7 115-97, 20101, 20102, 20104, 20201, 40201, 40202, 40203, 40308, 40309, 40311,
8 40414, 41101, 41107, 41115, and 41116 of PL. 115-123 and section 101 (a), (b), and
9 (h) of division U of P.L. 115-141 apply for taxable years beginning after December
10 31, 2018.

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

12 71.26 (2) (b) 14. For purposes of par. (b) 2., 2013 stats., “Internal Revenue Code”
13 includes section 109 of division U of P.L. 115-141.

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

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

16 71.34 (1g) (j) 3. m. Sections 101 (m), (n), (o), (p), and (q) and 104 (a) of division
17 U of P.L. 115-141.

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

19 71.34 (1g) (k) 3. For purposes of this paragraph, “Internal Revenue Code” does
20 not include amendments to the federal Internal Revenue Code enacted after
21 December 31, 2016, except that “Internal Revenue Code” includes sections 11024,
22 11025, and 13543 of P.L. 115-97 and sections 40307 and 40413 of P.L. 115-123.

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

24 71.34 (1g) (L) 1. For taxable years beginning after December 31, 2017, and
25 before January 1, 2019, for tax option corporations, “Internal Revenue Code” means

1 the federal Internal Revenue Code as amended to December 31, 2017, except as
2 provided in subds. 2., 3., and 5. and s. 71.98 and subject to subd. 4.

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

4 71.34 (1g) (L) 4. For purposes of this paragraph, the provisions of federal public
5 laws that directly or indirectly affect the Internal Revenue Code, as defined in this
6 paragraph, apply for Wisconsin purposes at the same time as for federal purposes,
7 except that changes made by P.L. 115-63 and sections 11026, 11027, 11028, 13207,
8 13306, 13307, 13308, 13311, 13312, 13501, 13705, 13821, and 13823 of P.L. 115-97
9 first apply for taxable years beginning after December 31, 2017.

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

11 71.34 (1g) (m) 1. For taxable years beginning after December 31, 2018, for tax
12 option corporations, "Internal Revenue Code" means the federal Internal Revenue
13 Code as amended to December 31, 2018, except as provided in subds. 2., 3., and 5. and
14 s. 71.98 and subject to subd. 4.

15 2. For purposes of this paragraph, "Internal Revenue Code" does not include
16 the following provisions of federal public laws for taxable years beginning after
17 December 31, 2018: section 13113 of P.L. 103-66; sections 1, 3, 4, and 5 of P.L.
18 106-519; sections 101, 102, and 422 of P.L. 108-357; sections 1310 and 1351 of P.L.
19 109-58; section 11146 of P.L. 109-59; section 403 (q) of P.L. 109-135; section 513 of
20 P.L. 109-222; sections 104 and 307 of P.L. 109-432; sections 8233 and 8235 of P.L.
21 110-28; section 11 (e) and (g) of P.L. 110-172; section 301 of P.L. 110-245; section
22 15351 of P.L. 110-246; section 302 of division A, section 401 of division B, and sections
23 312, 322, 502 (c), 707, and 801 of division C of P.L. 110-343; sections 1232, 1241, 1251,
24 1501, and 1502 of division B of P.L. 111-5; sections 211, 212, 213, 214, and 216 of P.L.
25 111-226; sections 2011 and 2122 of P.L. 111-240; sections 753, 754, and 760 of P.L.

1 111-312; section 1106 of P.L. 112-95; sections 104, 318, 322, 323, 324, 326, 327, and
2 411 of P.L. 112-240; P.L. 114-7; section 1101 of P.L. 114-74; section 305 of division
3 P of P.L. 114-113; sections 123, 125 to 128, 143, 144, 151 to 153, 165 to 167, 169 to
4 171, 189, 191, 307, 326, and 411 of division Q of P.L. 114-113; sections 11011, 13201
5 (a) to (e) and (g), 13801, 14101, 14102, 14103, 14201, 14202, 14211, 14212, 14213,
6 14214, 14215, 14221, 14222, 14301, 14302, 14304, and 14401 of P.L. 115-97; sections
7 40304, 40305, 40306, and 40412 of P.L. 115-123; section 101 (c) of division T of P.L.
8 115-141; and sections 101 (d) and (e), 102, 201 to 207, 301, 302, and 401 (a) (47) and
9 (195), (b) (13), (17), (22) and (30), and (d) (1) (D) (v), (vi), and (xiii) and (xvii) (II) of
10 division U of P.L. 115-141.

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

13 4. For purposes of this paragraph, the provisions of federal public laws that
14 directly or indirectly affect the Internal Revenue Code, as defined in this paragraph,
15 apply for Wisconsin purposes at the same time as for federal purposes, except that
16 changes made by sections 11012, 13221, 13301, 13304 (a) and (b), 13531, and 13601
17 of P.L. 115-97, 20101, 20102, 20104, 20201, 40201, 40202, 40203, 40308, 40309,
18 40311, 40414, 41101, 41107, 41115, and 41116 of PL. 115-123 and section 101 (a), (b),
19 and (h) of division U of P.L. 115-141 apply for taxable years beginning after
20 December 31, 2018.

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

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

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

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

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

5 71.42 (2) (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 37.** 71.42 (2) (k) 3. of the statutes is amended to read:

8 71.42 (2) (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.

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

13 71.42 (2) (L) 1. For taxable years beginning after December 31, 2017, and
14 before January 1, 2019, “Internal Revenue Code” means the federal Internal
15 Revenue Code as amended to December 31, 2017, except as provided in subds. 2. to
16 4. and s. 71.98 and subject to subd. 5.

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

18 71.42 (2) (L) 5. 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,
22 13306, 13307, 13308, 13311, 13312, 13501, 13705, 13821, and 13823 of P.L. 115-97
23 first apply for taxable years beginning after December 31, 2017.

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

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, 13201
19 (a) to (e) and (g), 13801, 14101, 14102, 14103, 14201, 14202, 14211, 14212, 14213,
20 14214, 14215, 14221, 14222, 14301, 14302, 14304, and 14401 of P.L. 115-97; sections
21 40304, 40305, 40306, and 40412 of P.L. 115-123; section 101 (c) of division T of P.L.
22 115-141; and sections 101 (d) and (e), 102, 201 to 207, 301, 302, and 401 (a) (47) and
23 (195), (b) (13), (17), (22) and (30), and (d) (1) (D) (v), (vi), and (xiii) and (xvii) (II) of
24 division U of P.L. 115-141.

