
Wisconsin Legislative Council

AMENDMENT MEMO



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2021 Assembly Bill 816

**Assembly
Amendment 1**

2021 ASSEMBLY BILL 816

2021 Assembly Bill 816 makes a number of changes related to Department of Revenue (DOR) tax audits of pass-through entities. Pass-through entities affected by the bill include partnerships, limited liability companies, and tax-option corporations. Specifically, these changes permit DOR to do the following:

- Assess and collect additional tax from a pass-through entity on income otherwise reportable by its pass-through members.
- Direct the Secretary of the Department of Administration to refund to a pass-through entity the part of an overpayment paid by the entity and not by the entity's members.
- Assess an adjustment to reduce a tax credit to a pass-through entity if the entity previously computed the credit and reported the credit to its members.
- Assess an adjustment to increase a tax credit to offset additional tax assessed to a pass-through entity.
- Assess any pass-through member of an entity for additional tax otherwise owed by one or more of the entity's members.

ASSEMBLY AMENDMENT 1

Assembly Amendment 1 modifies the provision of the bill that allows DOR to assess additional tax owed by more than one member of a pass-through entity to any member of the entity. The amendment specifies that when assessing additional tax owed by more than one member of the entity, DOR may only assess any member for *their allocated portion* of the collective tax owed.

BILL HISTORY

Assembly Amendment 1 was offered by Representative Wittke on January 12, 2022. On February 8, 2022, the Assembly Committee on Ways and Means recommended adoption of Assembly Amendment 1 and passage of Assembly Bill 816, as amended, by votes of Ayes, 13; Noes, 0.

SG:jal