

TAX 2

Filed October 29, 1969

10:45 AM

ORDER OF THE  
WISCONSIN DEPARTMENT OF REVENUE  
ADOPTING RULE CHANGE

Pursuant to the authority vested in the Wisconsin Department of Revenue by Sections 71.07(5) and 71.11(24) of the statutes, the said department hereby adopts the change whereby Rule TAX 2.48 having to do with apportionment of net business income of interstate pipeline companies has been created.

By its terms this rule is effective with respect to the imposition of the Wisconsin income or franchise tax on or measured by income of the calendar year 1969, or corresponding fiscal year, and thereafter.

WISCONSIN DEPARTMENT OF REVENUE

By

  
James R. Morgan  
Secretary

STATE OF WISCONSIN )  
 ) ss.  
DEPARTMENT OF REVENUE )

TO ALL TO WHOM THESE PRESENTS COME, GREETINGS:

I, JAMES R. MORGAN, Secretary of the Wisconsin Department of Revenue and custodian of the official records of the Wisconsin Department of Revenue, do hereby certify that the annexed change in the Rules of Wisconsin Department of Revenue (creating Rule TAX 2.48) has been approved by me and has been compared with the original on file in the department and is a true and correct copy of such original.

IN TESTIMONY WHEREOF, I have hereunto set my hand at the State Office Building, 1 West Wilson Street, in the City of Madison, Wisconsin this 29th day of October, A.D. 1969.

  
James R. Morgan, Secretary  
Wisconsin Department of Revenue

TAX 2.48 APPORTIONMENT OF NET BUSINESS INCOMES OF INTER-STATE PIPELINE COMPANIES. (Section 71.07 (5), Wis. Stats.) (1) With respect to the imposition of the Wisconsin income or franchise tax on or measured by income of the calendar year 1969, or corresponding fiscal year, and thereafter, the apportionable income of a pipeline company operating within and without Wisconsin shall be apportioned to Wisconsin on the basis of the arithmetical average of the following three ratios:

(a) The ratio of tangible property owned, and used by the taxpayer in Wisconsin to produce apportionable income, to the total of such property owned and used by him to produce apportionable income everywhere. The amount of such property for purposes of both the numerator and denominator shall be Wisconsin income tax net cost. In any case in which the property factor is distorted by reason of the taxpayer depreciating property in Wisconsin by a method different from that used to depreciate property outside Wisconsin, or in any case in which Wisconsin income tax net cost cannot be ascertained, the department may authorize or direct such other method of determining the property fraction as will produce an equitable result.

(b) The ratio of traffic units (e.g. barrel miles, cubic foot miles or other appropriate measure of product movement) in Wisconsin to the total of such units everywhere.

(c) The ratio of the total compensation paid to employes located in this state to the total compensation paid to employes located everywhere. An employe shall be deemed located in Wisconsin if his services are performed entirely within Wisconsin, or if services performed without the state are incidental to services within Wisconsin, or if some of the service is performed in Wisconsin and the base of operations is in Wisconsin, or if there is no base of operations and the place from which the service is directed and controlled is in Wisconsin, or if the base of operations or place from which the service is directed or controlled is not in any state in which some part of the service is performed, but the individual's residence is in this state. Compensation paid to retired employes shall be excluded from both the numerator and the denominator.

(2) In any case in which the company has no employes or in which the department determines that employes are not a substantial income producing factor, it may order or permit the elimination of the compensation factor and the use of the arithmetical average of the other two factors to arrive at the Wisconsin apportionment percentage.