CR 95-65

CERTIFICATE

STATE OF WISCONSIN)

) SS

DEPARTMENT OF REVENUE)

I, Mark D. Bugher, Secretary of the Department of Revenue and custodian of the official records certify that the annexed rule, relating to income taxes, was duly approved and adopted by this department on

I further certify that this copy has been compared by me with the original on file in this department and that it is a true copy of the original, and of the whole of the original.

IN TESTIMONY WHEREOF, I have hereunto set my hand at 125 South Webster Street in the city of Madison, this 10th day of November, 1995.

Mark D. Bugher
Secretary of Revenue

MDB:MPW:cll
CKRUL/127

RECEIVED
NOV 13 1995
REVISOR OF STATUTES
BUREAU

1-1-96

ORDER OF THE DEPARTMENT OF REVENUE
REPEALING AND RECREATING AND CREATING RULES

The Wisconsin Department of Revenue adopts an order to repeal and recreate Tax 2.96 and 3.03 and to create Tax 2.89, relating to: extensions of time to file corporation franchise or income tax returns; the dividends received deduction for corporations; and the requirements for making estimated tax payments for short taxable years.

Analysis by the Department of Revenue

Statutory authority: s. 71.80(1)(c), Stats.

Statutes interpreted: ss. 71.09(9), 71.22(4), 71.24(7), 71.26(2) and (3)(j), 71.29(5), 71.42(2), 71.44(3) and 71.45(2)(a)8, Stats.

SECTION 1. Tax 2.89 is created to prescribe the estimated tax payment requirements for taxable periods of less than 12 months, as required by ss. 71.21(15) and 71.22(5), Stats., as repealed and recreated by 1987 Wis. Act 27. Sections 71.21(15) and 71.22(5), Stats., were renumbered ss. 71.09(9) and 71.29(5), Stats., respectively, by 1987 Wis. Act 312.

SECTION 2. Tax 2.96, relating to extensions for filing corporation tax returns, is repealed and recreated to: reflect statutory changes in the extension requirements, interest charges, late filing fees and temporary recycling surcharge provisions made by 1989 Wis. Act 31, 1991 Wis. Acts 39 and 269 and 1993 Wis. Acts 16 and 199; add a reference to the insurance company franchise tax return; and reflect current department policy regarding estimated tax extension payments.

SECTION 3. Tax 3.03, relating to the dividends received deduction for corporations, is repealed and recreated to reflect law changes made by 1993 Wis. Act 16. As a result of amendments to ss. 71.26(3)(j) and 71.45(2)(a)8, Stats., the deduction based on the payer corporation's Wisconsin activity was repealed, the ownership percentage requirement for deducting dividends was reduced from 80% to 70% of the payer corporation's stock, and insurance companies may claim a dividends received deduction even if the payer corporation is not a Wisconsin corporation.

SECTION 1. Tax 2.89 is created to read:

Tax 2.89 ESTIMATED TAX REQUIREMENTS FOR SHORT TAXABLE YEARS. (ss. 71.09(9) and 71.29(5), Stats.) (1) GENERAL. Under ss. 71.09 and 71.29, Stats., certain corporations and persons other than corporations shall make estimated tax payments. For short taxable years, estimated tax payments shall be made in accordance with this section.

Note: For taxable years beginning on or after January 1, 1994, and ending before April 1, 1999, estimated tax includes the temporary recycling surcharge under s. 77.93, Stats.

(2) DEFINITIONS. In this section:

(a) "Corporation" includes corporations, tax-option (S) corporations, insurance companies, publicly traded partnerships treated as corporations in s. 7704 of the internal revenue code, limited liability companies treated as corporations under the internal revenue code, joint stock companies, associations, common law trusts, regulated investment companies, real estate investment trusts, real estate mortgage investment conduits, nuclear decommissioning trust funds and virtually exempt entities as defined in s. 71.29(1)(c), Stats.

(b) "Estimated tax payable" means the amount calculated under s. 71.09(13) or 71.29(9) or (10), Stats.

(c) "Persons other than corporations" includes individuals, estates, trusts other than those treated as corporations in par. (a), partnerships except publicly traded partnerships treated as corporations in s. 7704 of the internal revenue code and limited liability companies treated as partnerships under the internal revenue code.

(d) "Short taxable year" means a period of less than 12 months.

(3) NUMBER OF INSTALMENT PAYMENTS REQUIRED. (a) For short taxable years, the following number of estimated tax instalment payments shall be made:

1. For periods of one month or less, none.

2. For periods of 2 to 3 months, one.

3. For periods of 4 to 6 months, 2.

4. For periods of 7 to 9 months, 3.

5. For periods of 10 to 11 months, 4.

(b) Except as provided in par. (c), for purposes of determining the required number of estimated tax instalment payments under par. (a), a portion of a month shall be treated as a full month.

(c) If a short taxable year terminates before the end of a month and another taxable year begins at that time, for estimated tax instalment purposes the first taxable period shall be treated as ending on the last day of that month and the second taxable period shall be treated as beginning on the first day of the following month.

Note: Refer to the examples of the estimated tax payment requirements for short taxable years involving a portion of a month that follow sub. (7)(b)4.

(4) DUE DATES OF INSTALMENT PAYMENTS FOR CORPORATIONS. For short taxable years, corporations shall make estimated tax instalment payments on or before the 15th day of each of the following months:

(a) For periods of 2 to 3 months, the last month of the taxable year.

(b) For periods of 4 to 6 months, the 3rd and last months of the taxable year.

(c) For periods of 7 to 9 months, the 3rd, 6th and last months of the taxable year.

(d) For periods of 10 to 11 months, the 3rd, 6th, 9th and last months of the taxable year.

(5) DUE DATES OF INSTALMENT PAYMENTS FOR PERSONS OTHER THAN CORPORATIONS.

(a) Except as provided in pars. (b) and (c), for short taxable years, persons other than corporations shall make estimated tax instalment payments on or before the 15th day of each of the following months:

1. For periods of 2 to 3 months, the first month following the close of the taxable year.

2. For periods of 4 to 6 months, the 4th month of the taxable year and the first month following the close of the taxable year.

3. For periods of 7 to 9 months, the 4th and 6th months of the taxable year and the first month following the close of the taxable year.

4. For periods of 10 to 11 months, the 4th, 6th and 9th months of the taxable year and the first month following the close of the taxable year.

(b) If a person other than a corporation files an income tax return on or before the last day of the first month following the close of the taxable year and pays the full amount computed on that return as payable, that person need not make the last payment of estimated tax.

(c) Instead of making estimated tax instalment payments, a farmer or fisher as defined in s. 71.09(1)(a), Stats., may either pay the estimated tax in full by the 15th day of the first month after the close of the taxable year or file the tax return on or before the first day of the 3rd month following the close of the taxable year and pay the full amount computed on that return as payable.

(6) COMPUTATION OF ESTIMATED TAX PAYABLE. Corporations and persons other than corporations shall make estimated tax payments equal to the lesser of the following amounts:

(a) Ninety percent of the tax shown on the return for the taxable year or, if no return is filed, 90% of the tax for the taxable year.

(b) For individuals, corporations having less than $250,000 of Wisconsin net income and estates and trusts having less than $20,000 of Wisconsin taxable income for the current taxable year, the tax shown on the return for the preceding taxable year, provided the taxpayer filed a return for the preceding year covering a full 12-month year. When the current year is a short taxable year and the preceding year was a period of 12 months, the tax shown on the return for the preceding taxable year may be prorated based on the number of months in the short taxable year.

Example: Corporation A receives federal approval to change its taxable year from a calendar year to a fiscal year ending on June 30. To make the change, Corporation A files a franchise or income tax return for the period beginning January 1 and ending June 30. On this short-period return, it reports net tax of $8,000. Corporation A's Wisconsin net income for the current taxable year is less than $250,000. Therefore, its estimated tax payable is the lesser of 90% of the tax shown on its current year return or 100% of the tax shown on its prior year return, provided it had filed a tax return for that year covering a 12-month period. The tax shown on Corporation

A's return for the preceding taxable year, a 12-month period, was $6,000. Corporation A's estimated tax payable for the current taxable year is $3,000, $6,000 prior year's tax x 6 months/12 months.

<u>Note</u>: Corporations having Wisconsin net income of $250,000 or more for the current taxable year and estates or trusts having Wisconsin taxable income of $20,000 or more for the current taxable year may not calculate their estimated tax payable under par. (b).

(c) Ninety percent of the tax calculated by annualizing the taxable income earned for the months in the taxable year ending before the due date of the instalment. The following special rules apply:

1. Corporations which determine their Wisconsin net incomes under the apportionment method may compute their annualized income using the apportionment percentage from the return filed for the previous taxable year if the previous year's return is filed by the due date of the instalment for which the income is being annualized and the apportionment percentage on that return is greater than zero. A corporation that has at least $250,000 of Wisconsin net income for the current taxable year may also compute annualized income using the apportionment percentage from the return filed for the previous taxable year if the previous year's return is filed by the due date of the 3rd instalment, the apportionment percentage on that return is greater than zero, and the apportionment percentage used in computing the first 2 instalments is not less than the apportionment percentage used on that return.

2. Entities subject to tax on unrelated business taxable income and trusts and estates shall annualize their incomes for the months in the taxable year ending one month before the instalment due date.

(7) PORTION OF ESTIMATED TAX PAYABLE IN EACH INSTALMENT. The portion of the estimated tax payable in each instalment depends on when the taxpayer determines that the taxable year will be a period of less than 12 months and the number of instalment payments required, as follows:

(a) If an event that will terminate the taxable year before the end of the 12th month occurs after the taxpayer has begun making estimated tax payments, the initial estimated tax instalment payments shall be based on 25% of the estimated tax payable, with the last payment adjusted for the difference between the estimated tax liability and the amount previously paid.

Examples: 1) Corporation B, which has been filing tax returns on a calendar-year basis, receives federal approval to change its taxable year to a fiscal year ending on July 31. To make the change, Corporation B files a franchise or income tax return for the short taxable year beginning January 1 and ending July 31. Since this is a period of 7 months, Corporation B must make 3 estimated tax payments. Twenty-five percent of the estimated tax shall be paid for each of the instalments due March 15 and June 15. The balance of the estimated tax shall be paid on or before July 15. If Corporation B's estimated tax payable is $80,000, Corporation B must pay $20,000, 25% x $80,000 estimated tax payable, for each of the instalments due March 15 and June 15 and $40,000, 50% x $80,000 estimated tax payable, for the instalment due July 15.

2) Corporation C, a calendar-year filer, merges into Corporation D on October 6. As a result, Corporation C files its final franchise or income tax return for the short taxable year beginning January 1 and ending October 6. Corporation C must make 4 estimated tax payments, each for 25% of the estimated tax payable. The instalments must be paid on or before March 15, June 15, September 15 and October 15. If Corporation C's estimated tax payable is $100,000, Corporation C must pay $25,000, 25% x $100,000 estimated tax payable, for each instalment.

(b) If an event that will result in a taxable year of less than 12 months occurs before the taxpayer has begun making estimated tax payments, instalment payments shall be made as follows:

1. If one instalment is due, all of the estimated tax shall be paid at that time.

2. If 2 instalment payments are due, 75% of the estimated tax shall be paid for the first instalment and 25% shall be paid for the remaining instalment.

3. If 3 instalment payments are due, 50% of the estimated tax shall be paid for the first instalment and 25% shall be paid for each of the 2 remaining instalments.

4. If 4 instalment payments are due, 25% of the estimated tax shall be paid for each instalment.

Examples: 1) Corporation E owns 100% of the stock of Corporation F. The corporations file consolidated federal income tax returns on a calendar-year basis. On March 10, Corporation E sells all of the stock of Corporation F to third parties, severing the affiliated group. For federal purposes, Corporations E and F file a consolidated return for the period from January 1 through March 10. Corporation F files a separate federal return for the period from March 11 through December 31. Since the taxable period for Wisconsin purposes is the same as the federal taxable year, Corporation F must also file 2 short-period Wisconsin returns. For the first taxable year, Corporation F must make one estimated tax instalment payment for 100% of the estimated tax liability on or before March 15. For the second short period, Corporation F must make 3 estimated tax instalment payments. The first payment for 50% of the estimated tax liability is payable on or before June 15. Since March is the last month of the first short period, April is treated as the first month of the second short period. The second and third payments, each for 25% of the estimated tax, are due on or before September 15 and December 15, respectively. If Corporation F's estimated tax for the period beginning March 11 and ending December 31 is $150,000, Corporation F must pay $75,000, 50% x $150,000 estimated tax payable, for the first instalment and $37,500, 25% x $150,000 estimated tax payable, for each of the remaining 2 instalments.

2) Corporation G buys 100% of the stock of Corporation H on August 29. Both corporations compute their incomes on a calendar-year basis. Corporations G and H file a consolidated federal income tax return for the period from August 30 through December 31. Corporation H files a separate federal return for the period from January 1 through August 29. Since the taxable year is the same for Wisconsin and federal purposes, Corporation H must file 2 short-period Wisconsin returns. For the first short taxable year, 3 estimated tax instalment payments are required, due on or before March 15, June 15 and August 15. Twenty-five percent of the estimated tax shall be paid for each of the instalments due March 15 and June 15 and the balance of the estimated tax shall be paid for the instalment due August 15. For the second short period, 2 instalments are payable on or before November 15 and December 15. Since August is the last month of the first short period, September is treated as the first month of the second short period. The first instalment payment, due November 15 is for 75% of the estimated tax and the payment due December 15 is for 25% of the estimated tax.

(8) ANNUALIZED INCOME INSTALMENT PAYMENTS. Under ss. 71.09(13)(d) and 71.29(9)(c), Stats., taxpayers may compute estimated tax instalment payments by annualizing income for the months in the taxable year ending before the instalment payment's due date. Corporations that are subject to a tax on unrelated business taxable income and virtually exempt entities may compute estimated tax instalment payments by annualizing income for the months in the taxable year ending before the date one month before the due date for the instalment payment. Annualized income installment payments shall be computed as follows:

(a) Computation of annualized income. Taxpayers shall annualize income for the annualization period as follows:

1. Compute the Wisconsin net income for the annualization period, excluding adjustments which remain constant from period to period, such as net business loss carryforwards and the amortization of adjustments for changes in the method of accounting.

2. Calculate the annualization factor for the annualization period by dividing the number of months in the taxable year by the number of months in the annualization period.

3. Multiply the amount computed in subd. 1 by the annualization factor computed in subd. 2.

4. Subtract from the result in subd. 3 any adjustments excluded from the calculation of Wisconsin net income in subd. 1 which remain constant for each period. Individuals shall also subtract the standard deduction.

Example: Corporation J's taxable year begins January 1 and ends May 10. It has Wisconsin net income of $200,000 for the period from January 1 through February 28. Corporation J's annualization factor for that period is 2.5, calculated by dividing the 5 months of the taxable year by the 2 months of the annualization period. The annualized income for that period is $500,000, which is $200,000 Wisconsin net income x 2.5 annualization factor.

(b) Computation of instalment payments. Taxpayers shall calculate their estimated tax instalment payments based on annualized income for the annualization period as follows:

1. Determine the gross tax on the amount calculated under par. (a).

2. Subtract from the gross tax under subd. 1 any allowable tax credits, excluding estimated tax paid.

3. Multiply the net tax computed in subd. 2 by the applicable percentage from sub. (7).

Example: Corporation K, a calendar year filer, merges into Corporation L on July 14. Corporation K elects the annualized income method for determining whether it paid sufficient estimated tax. Corporation K's Wisconsin net income is $300,000 for the first 2 months of the taxable year, $1,400,000 for the first 5 months of the taxable year, and $1,800,000 for the first 6 months of the taxable year. Corporation K has $9,000 of tax credits and its net tax due for the year ending July 14 is $135,000. Therefore, Corporation K's estimated tax payable is $121,500. For Corporation K's 7-month year, the annualization factors are 3.5 (7 months/2 months), 1.4 (7 months/5 months), and 1.167 (7 months/6 months). Corporation K calculates its required estimated tax payments as follows:

	First 2 months	First 5 months	First 6 months
Wisconsin net income	$ 300,000	$ 1,400,000	$ 1,800,000
Annualization factor	3.5	1.4	1.167
Annualized income	$ 1,050,000	$ 1,960,000	$ 2,100,600
Annualized gross tax	82,950	154,840	165,947
Tax credits	9,000	9,000	9,000
Annualized net tax	$ 73,950	$ 145,840	$ 156,947
Applicable percentage	22.5%	45%	90%
Portion of annualized tax	$ 16,639	$ 65,628	$ 141,252
25% of estimated tax	30,375	60,750	121,500
Amount payable in preceding periods	0	16,639	60,750
Instalment payable	$ 16,639	$ 44,111	$ 60,750

Note: After the end of the taxable year, persons other than corporations shall use schedule U and corporations shall use form 4U to determine whether they have made sufficient estimated tax payments. Taxpayers with short taxable years shall adjust the computations on those forms as provided in this section.

SECTION 2. Tax 2.96 is repealed and recreated to read:

Tax 2.96 EXTENSIONS OF TIME TO FILE CORPORATION FRANCHISE OR INCOME TAX RETURNS. (ss. 71.24(7) and 71.44(3), Stats.) (1) DUE DATES. (a) General. Except as provided in par. (b), corporation franchise or income tax returns, forms 4, 4I, 5 and 5S are due on or before the 15th day of the 3rd month following the close of a corporation's taxable year and form 4T is due on or before the 15th day of the 5th month following the close of the corporation's taxable year unless an extension of time for filing has been granted.

(b) Short-period returns. Corporation franchise or income tax returns for periods of less than 12 months are due on or before the federal due date.

(2) EXTENSIONS. (a) The automatic extension to 30 days after the federal due date. If an automatic six-month extension of time has been allowed for filing the corresponding federal income tax return under the internal revenue

code, an automatic extension until 30 days after the federal extended due date shall be allowed for filing the Wisconsin return. A copy of federal extension form 7004 shall be attached to a Wisconsin franchise or income tax return filed under the federal automatic 6-month extension provision for the Wisconsin return to be considered timely filed.

Note: The additional 30-day extension allowed to corporations having a federal extension first applies for taxable years beginning on January 1, 1993, as a result of the enactment of 1993 Wis. Act 199.

(b) The 30-day, 3-month or 6-month extension from department. As an alternative to the extension in par. (a), a corporation may obtain an extension from the department for a period not to exceed 30 days, or not to exceed 3 months in the case of a foreign corporation that does not have an office or place of business in the United States, or not to exceed 6 months in the case of a cooperative filing a return or a domestic international sales corporation, if the extension is requested prior to the original due date of the return. A request for a 30-day, 3-month or 6-month extension, form IC-830, from the department shall be filed by the taxpayer prior to the original due date of the tax return. Requests for extensions shall be mailed to the address specified by the department on form IC-830 or delivered to the department.

Note: The 3-month extension allowed to foreign corporations that do not have an office or place of business in the United States first applies for taxable years beginning on January 1, 1992, as a result of the enactment of 1991 Wis. Act 39.

(c) Estimated tax payment. A taxpayer who desires to minimize interest charges during the extension period may pay the estimated tax liability on or before the original due date of the franchise or income tax return. This shall be done by attaching a remittance to a corporation estimated tax voucher, form 4-ES, and mailing them to the address specified by the department on the form 4-ES. The estimated tax liability includes the temporary recycling surcharge imposed under s. 77.93, Stats.

Note: The inclusion of the temporary recycling surcharge in the estimated tax liability first applies for taxable years beginning on January 1, 1994, as a result of the enactment of 1993 Wis. Act 16.

(d) Federal termination or refusal to grant extension. If the internal revenue service terminates or refuses to grant an extension, the corresponding Wisconsin franchise or income tax return shall be filed on or before 30 days after the date of termination fixed by the internal revenue service.

(3) INTEREST CHARGES AND LATE FILING FEES. (a) Regular interest. Except as provided in par. (b), additional tax due with the complete return and the temporary recycling surcharge imposed under s. 77.93, Stats., which are not paid by the original due date are subject to interest at 12% per year during the extension period and 1 1/2% per month from the end of the extension period until the date of payment.

Note: The 12% per year interest charge during the extension period for temporary recycling surcharge not paid by the original due date first applies for taxable years beginning on January 1, 1993, as a result of the enactment of 1993 Wis. Act 16.

(b) Delinquent interest. If 90% of the tax shown on the return, form 4, 4I, 5 or 5S, is not paid by the 15th day of the 3rd month or, for form 4T, by the 15th day of the 5th month beginning after the end of the taxable year, the difference between that amount and the estimated taxes paid along with any interest due is subject to interest at 1 1/2% per month until paid regardless of any extension granted for filing the return. The tax shown on the return includes the temporary recycling surcharge imposed under s. 77.93, Stats.

Note: 1) The imposition of delinquent interest during the extension period applied for 1987 and prior taxable years and was reinstated by 1989 Wis. Act 31, effective for taxable years beginning on or after January 1, 1990.
2) The requirement to include temporary recycling surcharge payments in the tax shown on the return first applies for taxable years beginning on January 1, 1994, as a result of the enactment of 1993 Wis. Act 16.

(c) Late filing fee. A corporation return filed after the extension period is subject to a $30 late filing fee.

Note: 1) Refer to s. 71.83(3), Stats.
2) For franchise or income tax returns with an original or extended due date before July 20, 1985, the late filing fee was $10.
3) The late filing fee was increased to $20 for returns 60 or more days late by 1985 Wis. Act 29, effective for franchise or income tax returns with an original or extended due date on or after July 20, 1985.
4) The late filing fee was increased to $30 by 1991 Wis. Act 269, effective for assessments, determinations or other actions taken on or after May 1, 1992.

(4) CONSOLIDATED RETURNS. Because Wisconsin does not permit the filing of consolidated returns, a copy of the automatic federal extension, form 7004, shall be attached to the Wisconsin franchise or income tax return of each member of an affiliated group filing a Wisconsin tax return.

SECTION 3. Tax 3.03 is repealed and recreated to read:

Tax 3.03 DIVIDENDS RECEIVED DEDUCTION - CORPORATIONS. (ss. 71.22(4), 71.26(2) and (3)(j), 71.42(2) and 71.45(2)(a)8, Stats.) (1) PURPOSE. This section clarifies the deduction from gross income allowed to corporations for dividends received. Dividends may be deductible due to the recipient's ownership of the payer corporation, as provided in sub. (3).

(2) DEFINITION. "Dividends received" means gross dividends minus taxes on those dividends paid to a foreign nation and claimed as a deduction under ch. 71, Stats.

Note: Refer to s. 71.26(3)(j), Stats.

(3) DIVIDENDS DEDUCTIBLE DUE TO OWNERSHIP. A corporation may deduct from gross income 100% of the dividends received from a payer corporation during a taxable year if both of the following occur:

(a) The dividends are paid on common stock of the payer corporation.

(b) The corporation receiving the dividends owns directly or indirectly during the entire taxable year in which the dividends are received at least 70% of the total combined voting stock of the payer corporation.

Note: 1) Refer to s. 71.26(3)(j), Stats.

2) Only cash dividends were deductible by the recipient in taxable years 1980 through 1986. This limitation was eliminated by 1987 Wis. Act 27.

3) For taxable years 1980 through 1983 the deduction was limited to 50% of the dividends received.

4) For the taxable year 1984 the deduction was limited to 75% of the dividends received.

5) For taxable years 1985 and thereafter the deduction equals 100% of the dividends received.

6) For taxable years beginning before January 1, 1993, the corporation receiving the dividends was required to own directly or indirectly during the entire taxable year in which the dividends were received at least 80% of the total combined voting stock of the payer corporation. The percentage of ownership requirement was changed from 80% to 70% by 1993 Wis. Act 16.

(4) LIMITATION ON DEDUCTION. The deduction under sub. (3) may not exceed the dividend received and included in gross income for a taxable year.

(5) DIVIDENDS INCLUDABLE IN GROSS INCOME. All dividend income shall be included in full in gross income on the franchise or income tax return of the recipient, whether or not certain dividends are deductible.

The rules contained in this order shall take effect on the first day of the month following publication in the Wisconsin administrative register as provided in s. 227.22(2)(intro.), Stats.

Final Regulatory Flexibility Analysis

This rule order does not have a significant economic impact on a substantial number of small businesses.

DEPARTMENT OF REVENUE

Dated: November 10, 1995

By: [signature]
Mark D. Bugher
Secretary of Revenue

CKRUL/56

1993 Session

FISCAL ESTIMATE
DOA-2048 (R10/92)

[X] ORIGINAL [ ] UPDATED
[ ] CORRECTED [ ] SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.
TAX 2.89

Amendment No. if Applicable

Subject

Estimated Tax Payments for Short Taxable Years

Fiscal Effect

State: [X] No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation

[ ] Increase Existing Appropriation [ ] Increase Existing Revenues
[ ] Decrease Existing Appropriation [ ] Decrease Existing Revenues
[ ] Create New Appropriation

[ ] Increase Costs - May be possible to Absorb Within Agency's Budget [ ] Yes [ ] No

[ ] Decrease Costs

Local: [ ] No Local Government Costs

1. [ ] Increase Costs
   [ ] Permissive [ ] Mandatory
2. [ ] Decrease Costs
   [ ] Permissive [ ] Mandatory

3. [ ] Increase Revenues
   [ ] Permissive [ ] Mandatory
4. [ ] Decrease Revenues
   [ ] Permissive [ ] Mandatory

5. Types of Local Governmental Units Affected:
   [ ] Towns [ ] Villages [ ] Cities
   [ ] Counties [ ] Others ______
   [ ] School Districts [ ] VTAE Districts

Fund Sources Affected

[ ] GPR [ ] FED [ ] PRO [ ] PRS [ ] SEG [ ] SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate

This rule prescribes estimated tax payment requirements for taxable periods of less than 12 months, as required by 1987 Wis. Act 27. It has no fiscal effect.

Long-Range Fiscal Implications

Agency/Prepared by: (Name & Phone No.)	Authorized Signature/Telephone No.	Date
Wisconsin Department of Revenue Bruce Biermeier, 266-7396	Yeang-Eng Braun 266-2700 Yeang Eng Braun	7/1/94

1993 Session

LRB or Bill No./Adm. Rule No.

TAX 2.96

Amendment No. if Applicable

FISCAL ESTIMATE
DOA-2048 (R10/92)

☒ ORIGINAL ☐ UPDATED
☐ CORRECTED ☐ SUPPLEMENTAL

Subject

Filing Extensions for Corporate Income or Franchise Tax Returns

Fiscal Effect

State: ☒ No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation

☐ Increase Existing Appropriation ☐ Increase Existing Revenues
☐ Decrease Existing Appropriation ☐ Decrease Existing Revenues
☐ Create New Appropriation

☐ Increase Costs - May be Possible to Absorb Within Agency's Budget ☐ Yes ☐ No

☐ Decrease Costs

Local: ☐ No Local Government Costs

1. ☐ Increase Costs
   ☐ Permissive ☐ Mandatory
2. ☐ Decrease Costs
   ☐ Permissive ☐ Mandatory
3. ☐ Increase Revenues
   ☐ Permissive ☐ Mandatory
4. ☐ Decrease Revenues
   ☐ Permissive ☐ Mandatory
5. Types of Local Governmental Units Affected:
   ☐ Towns ☐ Villages ☐ Cities
   ☐ Counties ☐ VTAE Districts
   ☐ School Districts ☐ Others ___________

Fund Sources Affected

☐ GPR ☐ FED ☐ PRO ☐ PRS ☐ SEG ☐ SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate

The proposed rule order will have little, if any, fiscal effect. The repeal and recreation of Tax 2.96 reflects statutory changes made in 1989 Wisconsin Act 31, 1991 Acts 39 and 269, and 1993 Acts 16 and 199.

Long-Range Fiscal Implications

Agency/Prepared by: (Name & Phone No.)	**Authorized Signature/Telephone No.**	**Date**
Wisconsin Department of Revenue **Bruce Biermeier, 266-7396**	**Yeang-Eng Braun** **266-2700** Yeang Eng Braun	10/5/94

1993 Session

LRB or Bill No./Adm. Rule No.

TAX 3.03

Amendment No. if Applicable

FISCAL ESTIMATE
DOA-2048 (R10/92)

☒ ORIGINAL ☐ UPDATED
☐ CORRECTED ☐ SUPPLEMENTAL

Subject

Dividends Received Deduction for Corporations

Fiscal Effect

State: ☒ No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation

☐ Increase Existing Appropriation ☐ Increase Existing Revenues
☐ Decrease Existing Appropriation ☐ Decrease Existing Revenues
☐ Create New Appropriation

☐ Increase Costs - May be Possible to Absorb Within Agency's Budget ☐ Yes ☐ No

☐ Decrease Costs

Local: ☐ No Local Government Costs

1. ☐ Increase Costs
   ☐ Permissive ☐ Mandatory
2. ☐ Decrease Costs
   ☐ Permissive ☐ Mandatory
3. ☐ Increase Revenues
   ☐ Permissive ☐ Mandatory
4. ☐ Decrease Revenues
   ☐ Permissive ☐ Mandatory
5. Types of Local Governmental Units Affected:
   ☐ Towns ☐ Villages ☐ Cities
   ☐ Counties ☐ VTAE Districts
   ☐ School Districts ☐ Others ____________

Fund Sources Affected

☐ GPR ☐ FED ☐ PRO ☐ PRS ☐ SEG ☐ SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate

The proposed rule reflects changes made to the corporate dividends received deduction by 1993 Wisconsin Act 16. There is no fiscal effect resulting from the rule change.

Long-Range Fiscal Implications

Agency/Prepared by: (Name & Phone No.)	Authorized Signature/Telephone No.	Date
Wisconsin Department of Revenue Joseph Malloy, 266-7817	Yeang-Eng Braun 266-2700 Yeang Eng Braun	9/2/94

State of Wisconsin • DEPARTMENT OF REVENUE
125 SOUTH WEBSTER STREET • P.O. BOX 8933 • MADISON, WISCONSIN 53708-8933 • 608-266-6466 • FAX 608-266-5718

Tommy G. Thompson
Governor

Mark D. Bugher
Secretary of Revenue

November 13, 1995

Gary L. Poulson
Assistant Revisor
131 West Wilson Street, Suite 800
Madison, WI 53703-3233

Re: Clearinghouse Rule 95-065

Dear Mr. Poulson:

Enclosed are a certified copy and an extra copy of an Order of the Department of Revenue promulgating rules relating to income taxes.

These materials are filed with you pursuant to s. 227.20(1), Stats.

Sincerely,

Mark D. Bugher
Secretary of Revenue

MDB:MPW:cll
CKRUL/124

Enclosure

cc: Douglas J. LaFollette, Secretary of State
Commerce Clearing House, Inc.
Research Institute of America, Inc.

State of Wisconsin • DEPARTMENT OF REVENUE

125 SOUTH WEBSTER STREET • P.O. BOX 8933 • MADISON, WISCONSIN 53708-8933 • 608-266-6466 • FAX 608-266-5718

Tommy G. Thompson
Governor

Mark D. Bugher
Secretary of Revenue

November 13, 1995

Douglas LaFollette
Secretary of State
30 West Mifflin Street, 10th Floor
Madison, WI 53703

Dear Secretary LaFollette:

Enclosed are a Certificate and an Order of the Department of Revenue adopting Clearinghouse Rule 95-065.

These materials are filed with you pursuant to s. 227.20, Stats.

Sincerely,

Mark D. Bugher
Secretary of Revenue

MDB:MPW:cll
CKRUL/123

Enclosure

cc: Revisor of Statutes Bureau