

No. 18, S.]

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CHAPTER 170.

AN ACT to create 71.04 (12) of the statutes, relating to deductions from incomes of corporations for income tax purposes.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

71.04 (12) of the statutes is created to read:

71.04 (12) In computing net income no deduction shall be allowed under this section for wages, salaries, bonuses, interest or other expenses:

(a) If such items of deduction are not paid within the taxable year or within 6 months after the close thereof; and

(b) If, by reason of the method of accounting of the person to whom the payment is to be made, the amount thereof is not, unless actually received, includible in the gross income of such person for the taxable year in which or with which the taxable year of the taxpayer ends; and

(c) If, at the close of the taxable year of the taxpayer or at any time within 6 months thereafter, the person to whom the payment is to be made was an officer of such taxpayer corporation or was the owner, directly or indirectly, of more than 20 per cent of its outstanding voting stock.

Approved May 26, 1949.
