

No. 111, S.]

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CHAPTER 221

AN ACT to amend 71.08 (3) and 72.01 (8); and to create 72.015 of the statutes, relating to deductions for income and inheritance tax purposes.

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

SECTION 1. 71.08 (3) of the statutes is amended to read:

71.08 (3) The first return of an executor or administrator shall be filed in the form and manner and within the time that a return should have been filed by the decedent had he survived. Subsequent returns of such executor or administrator shall be filed in the form and within the time that the returns of income are required from persons other than corporations, *except that no deduction shall be allowed in such subsequent returns for any Wisconsin income taxes paid which have been allowed as a deduction in arriving at the net taxable estate for inheritance tax purposes under s. 72.015.* The first return of such executor or administrator shall include the income received by the decedent during the portion of the year preceding the demise of deceased and also items specified in * * * sub. (1). In computing the net income of an estate, a deduction shall be allowed for amounts paid as premium on fidelity bonds of the executor or administrator.

SECTION 2. 72.01 (8) of the statutes is amended to read:

72.01 (8) The tax so imposed shall be upon the clear market value of such property, *less the deductions and exemptions provided in this chapter, at the rates hereinafter prescribed * * *.*

SECTION 3. 72.015 of the statutes is created to read:

72.015 DEDUCTIONS. Deductions for the following expenditures made by the personal representative shall be allowed to the estate subject to probate:

- (1) Debts of the decedent;
- (2) Reasonable burial expenses;
- (3) Expenses of administration;
- (4) A portion of the Wisconsin income taxes paid on income reported by the executor or administrator, pursuant to s. 71.08 (1) for the income year in which the decedent's death occurred, commencing with income of the year 1959, and thereafter. This portion shall be determined on the basis of the ratio of the adjusted gross income of the decedent during the portion of the year prior to his death to the total adjusted gross income for the entire year. No deduction shall be allowed hereunder if such portion of Wisconsin income taxes has been deducted by the executor or administrator in reporting Wisconsin taxable income. For the purposes of this subsection, adjusted gross income has the same meaning as in s. 71.09 (2m) (c).
- (5) Inheritance and estate taxes imposed by the government of the United States on property which is subject to the state inheritance tax, to the extent said federal taxes are computed on the value of the property for state inheritance tax purposes, are debts and shall be deducted in determining the value of the property transferred.

Approved July 23, 1959.
