

No. 829, A.

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**CHAPTER 560**

AN ACT to repeal 71.09 (6) (e); to amend 71.09 (6) (b) 8; and to create 71.20 (19) and (20) of the statutes, relating to income taxes on transient personal services of nonresident individuals.

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

SECTION 1. 71.09 (6) (b) 8 of the statutes is amended to read:

71.09 (6) (b) 8. A son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law of the taxpayer. As used herein the terms "brother" and "sister" include a brother or sister by the half-blood. For the purpose of determining whether any of the foregoing relationships exist, a legally adopted child of a person shall be considered a child of such person by blood. \* \* \* The relationship of affinity once existing will not be terminated by divorce or death of a spouse.

SECTION 2. 71.09 (6) (e) of the statutes is repealed.

SECTION 3. 71.20 (19) and (20) of the statutes are created to read:

71.20 (19) Whenever it appears to the satisfaction of the commissioner of taxation that with respect to the period beginning February 1, 1962, and ending December 31, 1962, the cost to the employer of withhold-

ing on the wages of nonresident employes who performed wage earning services in Wisconsin and in the same pay periods also performed wage earning services outside Wisconsin, would have been excessive in relation to the aggregate Wisconsin income tax liability of such nonresident employes on such wage earning services performed in Wisconsin and the employer failed to comply with the withholding provisions of ch. 71 in respect of such Wisconsin wages, the commissioner, by agreement with such employer, may relieve such employer of the consequences of such failure to withhold upon payment by such employer to the department of the amount estimated by the commissioner to equal the taxes, fees and interest that would be due from such employes on their Wisconsin wages. Any amount so paid by such employer may be deducted by such employer on the cash basis as a Wisconsin income tax paid. Any nonresident employe upon whose behalf such a payment is made, if not otherwise required to file a Wisconsin income tax return may, as a part of such agreement, be relieved from filing a return covering such taxable year and paying a tax on such income. If any such nonresident employe had income having a Wisconsin income tax situs in a taxable year covered by such agreement, other than and in addition to his Wisconsin wages from such employer, his Wisconsin tax shall be computed on the aggregate of his net income having an income tax situs in Wisconsin (including his Wisconsin wages from such employer) but he shall be allowed as a credit against the tax so computed an amount determined by multiplying such tax by a fraction the numerator of which shall be his Wisconsin wages from such employer and the denominator of which shall be his total gross income having a Wisconsin income tax situs.

(20) No amount shall be withheld from the wages paid to a nonresident employe for services performed in this state if the employer reasonably estimates that during that calendar year the employe will earn less than \$1,500; but whenever it appears that the employe will earn more than \$1,500 in this state during the calendar year, the employer shall withhold, from wages paid thereafter, such additional amounts as the employer reasonably estimates will be required to offset the amounts not withheld from previous payments.

SECTION 4. This act shall be effective for the income year 1964 and thereafter.

Approved May 25, 1964.

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