

1989 Senate Bill 361

Date of enactment: **December 6, 1989**
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1989 WISCONSIN ACT 100

AN ACT to amend 71.01 (14), 71.07 (3m) (a) 6, 71.07 (3m) (c) 2, 71.28 (2m) (a) 6, 71.28 (2m) (c) 2, 71.47 (2m) (a) 6, 71.47 (2m) (c) 2 and 71.52 (5) of the statutes, relating to: various changes to the income and franchise taxes.

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

SECTION 1. 71.01 (14) of the statutes, as affected by 1989 Wisconsin Act 31, is amended to read:

71.01 (14) "Wisconsin net operating loss" of persons other than corporations means "federal net operating loss" adjusted as prescribed in s. 71.05 (6) (a) and (b) (intro.) and, 1 to 8 and 10 to 12, (7) to (12) and (19) to (21), except that no deductions allowable on schedule A for federal income tax purposes are allowable.

SECTION 2. 71.07 (3m) (a) 6. of the statutes, as created by 1989 Wisconsin Act 31, is amended to read:

71.07 (3m) (a) 6. "Property taxes accrued" means property taxes, exclusive of special assessments, delinquent interest and charges for service, levied on the farmland owned by the claimant or any member of the claimant's household in any calendar year under ch. 70, less the tax credit, if any, afforded in respect of the property by s. 79.10. "Property taxes accrued" shall not exceed \$10,000. If farmland is owned by a tax-option corporation or by 2 or more persons or entities as joint tenants, tenants in common or partners or is marital property or survivorship marital property and one or more such persons, entities or owners is not a member of the claimant's household, "property taxes accrued" is that part of property taxes levied on the farmland, reduced by the tax credit under s. 79.10, that reflects the ownership percentage of the claimant and the claimant's household. For purposes of this subdivision, property taxes are "levied" when the tax roll is delivered to the local treasurer for collection. If farmland is sold during the calendar year of

the levy the "property taxes accrued" for the seller is the amount of the tax levy, reduced by the tax credit under s. 79.10, prorated to each in the closing agreement pertaining to the sale of the farmland, except that if the seller does not reimburse the buyer for any part of those property taxes there are no "property taxes accrued" for the seller, and the "property taxes accrued" for the buyer is the property taxes levied on the farmland, reduced by the tax credit under s. 79.10, minus, if the seller reimburses the buyer for part of the property taxes, the amount prorated to the seller in the closing agreement. With the claim for credit under this subsection, the seller shall submit a copy of the closing agreement and the buyer shall submit a copy of the closing agreement and a copy of the property tax bill.

SECTION 3. 71.07 (3m) (c) 2. of the statutes, as created by 1989 Wisconsin Act 31, is amended to read:

71.07 (3m) (c) 2. ~~For 1989, any~~ Any claimant may claim against taxes otherwise due under this chapter, on an income or franchise tax return that includes the levy date, an additional one-time credit of 4.2% of the property taxes accrued, subject to the limitations in subd. 1 that are levied in December 1989, up to a maximum of \$420.

SECTION 4. 71.28 (2m) (a) 6. of the statutes, as created by 1989 Wisconsin Act 31, is amended to read:

71.28 (2m) (a) 6. "Property taxes accrued" means property taxes, exclusive of special assessments, delinquent interest and charges for service, levied on the farmland owned by the claimant or any member of the claimant's household in any calendar year under ch. 70, less the tax credit, if any, afforded in respect of the property by s.

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79.10. “Property taxes accrued” shall not exceed \$10,000. If farmland is owned by a tax-option corporation or by 2 or more persons or entities as joint tenants, tenants in common or partners or is marital property or survivorship marital property and one or more such persons, entities or owners is not a member of the claimant’s household, “property taxes accrued” is that part of property taxes levied on the farmland, reduced by the tax credit under s. 79.10, that reflects the ownership percentage of the claimant and the claimant’s household. For purposes of this subdivision, property taxes are “levied” when the tax roll is delivered to the local treasurer for collection. If farmland is sold during the calendar year of the levy the “property taxes accrued” for the seller is the amount of the tax levy, reduced by the tax credit under s. 79.10, prorated to each in the closing agreement pertaining to the sale of the farmland, except that if the seller does not reimburse the buyer for any part of those property taxes there are no “property taxes accrued” for the seller, and the “property taxes accrued” for the buyer is the property taxes levied on the farmland, reduced by the tax credit under s. 79.10, minus, if the seller reimburses the buyer for part of the property taxes, the amount prorated to the seller in the closing agreement. With the claim for credit under this subsection, the seller shall submit a copy of the closing agreement and the buyer shall submit a copy of the closing agreement and a copy of the property tax bill.

SECTION 5. 71.28 (2m) (c) 2. of the statutes, as created by 1989 Wisconsin Act 31, is amended to read:

71.28 (2m) (c) 2. ~~For 1989, any Any~~ claimant may claim against taxes otherwise due under this chapter, on an income or franchise tax return that includes the levy date, an additional one-time credit of 4.2% of the property taxes accrued, subject to the limitations in subd. 1 that are levied in December 1989, up to a maximum of \$420.

SECTION 6. 71.47 (2m) (a) 6. of the statutes, as created by 1989 Wisconsin Act 31, is amended to read:

71.47 (2m) (a) 6. “Property taxes accrued” means property taxes, exclusive of special assessments, delinquent interest and charges for service, levied on the farmland owned by the claimant or any member of the claimant’s household in any calendar year under ch. 70, less the tax credit, if any, afforded in respect of the property by s. 79.10. “Property taxes accrued” shall not exceed \$10,000. If farmland is owned by a tax-option corporation or by 2 or more persons or entities as joint tenants, tenants in common or partners or is marital property or survivorship marital property and one or more such per-

sons, entities or owners is not a member of the claimant’s household, “property taxes accrued” is that part of property taxes levied on the farmland, reduced by the tax credit under s. 79.10, that reflects the ownership percentage of the claimant and the claimant’s household. For purposes of this subdivision, property taxes are “levied” when the tax roll is delivered to the local treasurer for collection. If farmland is sold during the calendar year of the levy the “property taxes accrued” for the seller is the amount of the tax levy, reduced by the tax credit under s. 79.10, prorated to each in the closing agreement pertaining to the sale of the farmland, except that if the seller does not reimburse the buyer for any part of those property taxes there are no “property taxes accrued” for the seller, and the “property taxes accrued” for the buyer is the property taxes levied on the farmland, reduced by the tax credit under s. 79.10, minus, if the seller reimburses the buyer for part of the property taxes, the amount prorated to the seller in the closing agreement. With the claim for credit under this subsection, the seller shall submit a copy of the closing agreement and the buyer shall submit a copy of the closing agreement and a copy of the property tax bill.

SECTION 7. 71.47 (2m) (c) 2. of the statutes, as created by 1989 Wisconsin Act 31, is amended to read:

71.47 (2m) (c) 2. ~~For 1989, any Any~~ claimant may claim against taxes otherwise due under this chapter, on an income or franchise tax return that includes the levy date, an additional one-time credit of 4.2% of the property taxes accrued, subject to the limitations in subd. 1 that are levied in December 1989, up to a maximum of \$420.

SECTION 8. 71.52 (5) of the statutes, as affected by 1989 Wisconsin Act 31, is amended to read:

71.52 (5) “Household income” means all income received by all persons of a household in a calendar year while members of the household, less \$250 for each of the claimant’s dependents, as defined in section 152 of the internal revenue code, who have the same principal abode as the claimant for more than 6 months during the year to which the claim relates.

SECTION 9. Initial applicability. (1) The treatment of section 71.01 (14) of the statutes first applies to the computation of net operating losses for taxable year 1988.

(2) The treatment of sections 71.07 (3m) (a) 6. and (c) 2., 71.28 (2m) (a) 6. and (c) 2., 71.47 (2m) (a) 6. and (c) 2. and 71.52 (5) of the statutes first applies to claims for credit filed in 1990 and based on property taxes accrued during 1989.