

1993 Assembly Bill 1094

Date of enactment: April 6, 1994  
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## 1993 WISCONSIN ACT 204

AN ACT to amend 71.03 (1), 71.04 (3) (c) (intro.), 71.05 (6) (a) 13, 71.07 (5) (a) 2 and 71.09 (13) (a) 2; and to repeal and recreate 71.09 (1) (am) and 71.29 (1) (a) of the statutes, relating to: disregarding certain provisions in a partnership agreement when computing a partner's tax liability; the definition of gross income for certain income tax return filers; excluding property taxes paid by cooperative housing corporations from the itemized deductions income tax credit; estimated tax rules when changing tax return filing status between joint and separate returns; and changing the definition of "return" for persons who file an estimated income or franchise tax return.

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

**SECTION 1.** 71.03 (1) of the statutes is amended to read:

71.03 (1) DEFINITION. In this section, "gross income" means all income, from whatever source derived and in whatever form realized, whether in money, property or services, which is not exempt from Wisconsin income taxes. "Gross income" includes, but is not limited to, the following items: compensation for services, including salaries, wages and fees, commissions and similar items; gross income derived from business; ~~gains derived from dealings in property~~; interest; rents; royalties; dividends; alimony and separate maintenance payments; annuities; income from life insurance and endowment contracts; pensions; income from discharge of indebtedness; distributive shares of partnership gross income except distributive shares of the income of publicly traded partnerships treated as corporations under s. 71.22 (1); income in respect of a decedent; and income from an interest in an estate or trust. "Gross income" from a business or farm consists of the total gross receipts without reduction for cost of goods sold, expenses or any other amounts. The gross rental amounts received from rental properties are included in gross income without reduction for expenses or any other amounts. "Gross income" from the sale of securities, property or other assets consists of the

gross selling price without reduction for the cost of the assets, expenses of sale or any other amounts. "Gross income" from an annuity, retirement plan or profit sharing plan consists of the gross amount received without reduction for the employee's contribution to the annuity or plan.

**SECTION 2.** 71.04 (3) (c) (intro.) of the statutes is amended to read:

71.04 (3) (c) *Disregarding agreements.* (intro.) In computing taxes under this chapter a partner shall disregard, for purposes of determining the situs of partnership income of partners, all provisions in partnership agreements that do any of the following:

**SECTION 3.** 71.05 (6) (a) 13. of the statutes is amended to read:

71.05 (6) (a) 13. The amount claimed by a fiduciary as an itemized deduction under section 164 or 216 (a) (1) of the internal revenue code on the federal fiduciary return.

**SECTION 4.** 71.07 (5) (a) 2. of the statutes is amended to read:

71.07 (5) (a) 2. Taxes under section 164 or 216 (a) (1) of the internal revenue code.

**SECTION 5.** 71.09 (1) (am) of the statutes is repealed and recreated to read:

71.09 (1) (am) "Return" means a return that would show the tax properly due.

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**SECTION 6.** 71.09 (13) (a) 2. of the statutes is amended to read:

71.09 (13) (a) 2. The tax shown on the return for the preceding year. If a husband and wife who filed separate returns for the preceding taxable year file a joint return, the tax shown on the return for the preceding year is the sum of the taxes shown on the separate returns of the husband and wife. If a husband and wife who filed a joint return for the preceding taxable year file separate returns, the tax shown on the return for the preceding year is the husband's or wife's proportion of that tax based on what

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their respective tax liabilities for that year would have been had they filed separately.

**SECTION 7.** 71.29 (1) (a) of the statutes is repealed and recreated to read:

71.29 (1) (a) "Return" means a return that would show the tax properly due.

**SECTION 8. Initial applicability; revenue, technical changes.** The treatment of sections 71.03 (1), 71.05 (6) (a) 13., 71.07 (5) (a) 2., 71.09 (1) (am), 71.09 (13) (a) 2 and 71.29 (1) (a) of the statutes first applies to taxable years beginning on January 1, 1994.