



**SENATE AMENDMENT 2,
TO 2005 SENATE BILL 358**

May 3, 2006 – Offered by Senator DECKER.

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 1, line 2: after “disruption,” insert “imposing an excess profits tax on
3 integrated oil companies, creating an individual income tax credit for home heating
4 costs, requiring the combined reporting of corporate income and franchise taxes.”.

5 **2.** Page 1, line 3: after “authority,” insert “making an appropriation,”.

6 **3.** Page 2, line 1: before that line insert:

7 “**SECTION 1b.** 20.835 (2) (bm) of the statutes is created to read:

8 20.835 (2) (bm) *Excess profits home heating credit.* A sum sufficient to make
9 the payments under s. 71.07 (5e), not to exceed the amount determined under s. 71.07
10 (5e) (c) 1.

11 **SECTION 1c.** 71.05 (6) (a) 15. of the statutes, as affected by 2005 Wisconsin Act
12 361, is amended to read:

1 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),
2 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3n), (3s), (3t), (3w), (5b), and (5d),
3 and (5e) and not passed through by a partnership, limited liability company, or
4 tax-option corporation that has added that amount to the partnership's, company's,
5 or tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g).

6 **SECTION 1d.** 71.07 (5e) of the statutes is created to read:

7 71.07 (5e) EXCESS PROFITS HOME HEATING CREDIT. (a) *Definitions.* In this
8 subsection:

9 1. "Claimant" means an individual who files a claim under this subsection.

10 2. "Household" has the meaning given in s. 71.07 (3m) (a) 5.

11 3. "Household income" has the meaning given in s. 71.52 (5).

12 4. "Principal dwelling" has the meaning given in s. 79.10 (1) (dm).

13 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
14 claimant may claim as a credit against the tax imposed under s. 71.02 a percentage
15 of the amount the claimant paid in the taxable year for fuel and electricity used to
16 heat the claimant's principal dwelling.

17 (c) *Limitations.* 1. The department shall, by rule, determine the percentage
18 of the amount that each claimant may claim so that the maximum amount of all
19 credits claimed in any taxable year may not exceed the amount collected under s.
20 71.23 (4) and credited to the appropriation account under s. 20.835 (2) (bm).

21 2. Only one member of any household may claim the credit under this
22 subsection in a taxable year.

23 3. For a claimant who is a nonresident or part-year resident of this state and
24 who is a single person or a married person filing a separate return, multiply the
25 credit for which the claimant is eligible under par. (b) by a fraction, the numerator

1 of which is the individual's Wisconsin adjusted gross income and the denominator of
2 which is the individual's federal adjusted gross income. If a claimant is married and
3 files a joint return, and if the claimant or the claimant's spouse, or both, are
4 nonresidents or part-year residents of this state, multiply the credit for which the
5 claimant is eligible under par. (b) by a fraction, the numerator of which is the couple's
6 joint Wisconsin adjusted gross income and the denominator of which is the couple's
7 joint federal adjusted gross income.

8 (d) *Administration.* 1. If the allowable amount of the credit under this
9 subsection exceeds the taxes imposed under s. 71.02 that are otherwise due on the
10 claimant's income, the amount of the claim that is not used to offset those taxes shall
11 be certified by the department of revenue to the department of administration for
12 payment by check, share draft, or other draft drawn from the appropriation under
13 s. 20.835 (2) (bm).

14 2. Section 71.28 (4) (g) and (h), as it applies to the credit under s. 71.28 (4),
15 applies to the credit under this subsection.

16 **SECTION 1e.** 71.08 (1) (intro.) of the statutes, as affected by 2005 Wisconsin Acts
17 25, 177 and 361, is repealed and recreated to read:

18 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married
19 couple filing jointly, trust, or estate under s. 71.02, not considering the credits under
20 ss. 71.07 (1), (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2fd), (3m), (3n), (3s),
21 (3t), (3w), (5b), (5d), (5e), (5f), (6), and (9e), 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds),
22 (1dx), (1fd), (2m), (3), (3n), (3t), and (3w), and 71.47 (1dd), (1de), (1di), (1dj), (1dL),
23 (1ds), (1dx), (1fd), (2m), (3), (3n), (3t), and (3w), and subchs. VIII and IX, and
24 payments to other states under s. 71.07 (7), is less than the tax under this section,

1 there is imposed on that natural person, married couple filing jointly, trust, or estate,
2 instead of the tax under s. 71.02, an alternative minimum tax computed as follows:

3 **SECTION 1f.** 71.10 (4) (gxx) of the statutes is created to read:

4 71.10 (4) (gxx) Excess profits home heat credit under s. 71.07 (5e).

5 **SECTION 1g.** 71.23 (2) of the statutes is amended to read:

6 71.23 (2) FRANCHISE TAX. For the privilege of exercising its franchise, buying
7 or selling lottery prizes if the winning tickets were originally bought in this state or
8 doing business in this state in a corporate capacity, except as provided under sub. (3),
9 every domestic or foreign corporation, except corporations specified in s. 71.26 (1),
10 and every nuclear decommissioning trust or reserve fund shall annually pay a
11 franchise tax according to or measured by its entire Wisconsin net income of the
12 preceding taxable year at the rate set forth in s. 71.27 (2). In addition, except as
13 provided in sub. (3) and s. 71.26 (1), a corporation that ceases doing business in this
14 state and a nuclear decommissioning trust or reserve fund that is terminated shall
15 pay a special franchise tax according to or measured by its entire Wisconsin net
16 income for the taxable year during which the corporation ceases doing business in
17 this state or the nuclear decommissioning trust or reserve fund is terminated at the
18 rates under s. 71.27 (2). Every corporation organized under the laws of this state
19 shall be deemed to be residing within this state for the purposes of this franchise tax.
20 All provisions of this chapter and ch. 73 relating to income taxation of corporations
21 shall apply to franchise taxes imposed under this subsection, unless the context
22 requires otherwise. The tax imposed by this subsection on national banking
23 associations shall be in lieu of all taxes imposed by this state on national banking
24 associations to the extent it is not permissible to tax such associations under federal
25 law. The tax imposed under this subsection on an integrated oil company or its

1 subsidiaries shall be in addition to the tax on or measured by the income derived from
2 the petroleum business activities that are subject to taxation under sub. (5) (b) and
3 (c).

4 **SECTION 1h.** 71.23 (4) of the statutes is created to read:

5 71.23 (4) INTEGRATED OIL COMPANIES. (a) *Definitions.* In this subsection:

6 1. "Excess taxable income" means taxable income minus normal taxable
7 income.

8 2. "Income" means income derived from extracting, producing, and refining
9 crude petroleum and transporting, distributing, and marketing crude petroleum,
10 gasoline, distillate fuels, aviation fuels, kerosene, diesel motor fuel, residual oil,
11 propane, benzol, butane, or other similar petroleum products.

12 3. "In-state sales" is the amount that an integrated oil company reports as the
13 numerator of the sales factor under s. 71.25 (9) (a).

14 4. "In-state taxable income" means the taxable income of an integrated oil
15 company apportioned to this state as determined under s. 71.255, except that for
16 taxable years beginning after December 31, 2000, and before January 1, 2002,
17 "in-state taxable income" means the taxable income that the company would have
18 reported for that year if it computed its income under s. 71.255.

19 5. "Integrated oil company" means a corporation that itself or including the
20 activities of its subsidiaries engages in extracting, producing, and refining crude
21 petroleum and transporting, distributing, and marketing crude petroleum, gasoline,
22 distillate fuels, aviation fuels, kerosene, diesel motor fuel, residual oil, propane,
23 benzol, butane, or other similar petroleum products. "Integrated oil company" does
24 not include any company that either has an average net production of less than
25 150,000 barrels of crude petroleum per day during the taxable year or refines an

1 average of less than 150,000 barrels of crude petroleum per day during the taxable
2 year.

3 6. “Normal taxable income” means the in-state sales of an integrated oil
4 company for the taxable year multiplied by an amount determined by dividing the
5 company’s in-state taxable income for taxable years beginning after December 31,
6 2000, and before January 1, 2002, by the company’s in-state sales for taxable years
7 beginning after December 31, 2000, and before January 1, 2002.

8 7. “Subsidiary” means a corporation in which more than 50 percent of the
9 voting stock of the corporation is owned directly or indirectly by an integrated oil
10 company.

11 8 “Taxable income” means taxable income of a corporation as computed under
12 this chapter.

13 (b) *Tax on normal taxable income.* Each integrated oil company or subsidiary
14 of an integrated oil company that is subject to taxation under this chapter shall pay
15 a tax equal to 7.9 percent of its normal taxable income. For purposes of computing
16 the tax under this paragraph, an integrated oil company’s income shall be combined
17 with its subsidiaries, as provided under s. 71.255. If a subsidiary of an integrated
18 oil company does business in this state, the subsidiary’s income shall be combined
19 with the income of the integrated oil company’s income and the income of each of the
20 integrated oil company’s other subsidiaries, as provided under s. 71.255.

21 (c) *Tax on excess taxable income.* In addition to the tax imposed under par. (b),
22 each integrated oil company or subsidiary of an integrated oil company that is subject
23 to taxation under this chapter shall pay a tax equal to 50 percent of its excess taxable
24 income. If the taxable income of the integrated oil company or subsidiary for taxable
25 years beginning after December 31, 2000, and before January 1, 2002, is less than

1 its taxable income for taxable years beginning after December 31, 1999, and before
2 January 1, 2001; or if the source of the taxable income of the company or subsidiary
3 substantially changed after December 31, 2000; the company or subsidiary may use
4 an adjusted base year, with written approval from the department, for determining
5 the amount of the tax due under this paragraph. For purposes of computing the
6 taxable income for an adjusted base year, the company or subsidiary may recalculate
7 its taxable income for taxable years beginning after December 31, 1999, and before
8 January 1, 2001, by disregarding any extraordinary or nonrecurring expenses, but
9 considering substantial changes in its source of taxable income.

10 (d) *Tax credit.* A person who is subject to the taxes imposed under this
11 subsection may claim as a credit against those taxes, up to the amount of the taxes,
12 an amount determined by multiplying the amount of the taxes imposed under sub.
13 (2) that the person paid in the taxable year by a fraction, the numerator of which is
14 the person's petroleum-related taxable income computed for purposes of sub. (2) and
15 the denominator of which is the person's total taxable income computed for purposes
16 of sub. (2). Section 71.28 (4) (e) to (i), as it applies to the credit under s. 71.28 (4),
17 applies to the credit under this paragraph.

18 (e) *Appropriation and notification.* The department shall credit all moneys
19 collected under this subsection to the appropriation account under s. 20.835 (2) (bm).
20 Annually on August 1, the secretary of revenue shall notify the secretary of
21 administration and the state treasurer, in writing, of the total amount of moneys
22 credited to the appropriation account under s. 20.835 (2) (bm) in the preceding fiscal
23 year.

24 **SECTION 1i.** 71.25 (9) (a) of the statutes is amended to read:

1 71.25 (9) (a) The sales factor is a fraction, the numerator of which is the total
2 sales of the taxpayer in this state during the tax period, and the denominator of
3 which is the total sales of the taxpayer everywhere during the tax period. For sales
4 of tangible personal property, the numerator of the sales factor is the sales of the
5 taxpayer during the tax period under par. (b) 1. and 2. plus 50% of the sales of the
6 taxpayer during the tax period under pars. (b) 2m. and 3. and (c). For purposes of
7 determining the numerator of the sales factor for a member of a combined reporting
8 group under s. 71.255 (7), “taxpayer” means the member of a combined reporting
9 group, as defined in s. 71.255 (1) (c), that transferred title to tangible personal
10 property or, for sales other than sales of tangible personal property, that made the
11 sale.

12 **SECTION 1j.** 71.255 of the statutes is created to read:

13 **71.255 Combined reporting. (1) DEFINITIONS.** In this section:

14 (a) “Brother–sister parent corporation” means a parent corporation that is a
15 member of a commonly controlled group, if any members of the commonly controlled
16 group are not connected to the parent corporation by stock ownership or interest
17 ownership as described in par. (d).

18 (b) “Combined report” means a form prescribed by the department that
19 specifies the income of each taxpayer member of a commonly controlled group
20 operating as a unitary business.

21 (c) “Combined reporting group” means the members of a commonly controlled
22 group that are included in a combined report under sub. (2).

23 (d) “Commonly controlled group” means any of the following, but does not
24 include an insurer that is exempt from taxation under s. 71.45 (1):

1 1. A parent corporation and any corporation or chain of corporations that are
2 connected to the parent corporation by direct or indirect ownership by the parent
3 corporation if the parent corporation owns stock representing more than 50 percent
4 of the voting power of at least one of the connected corporations or if the parent
5 corporation or any of the connected corporations own stock that cumulatively
6 represents more than 50 percent of the voting power of each of the connected
7 corporations.

8 2. Any 2 or more corporations if a common owner directly or indirectly owns
9 stock representing more than 50 percent of the voting power of the corporations or
10 the connected corporations.

11 3. A partnership or limited liability company if a parent corporation or any
12 corporation connected to the parent corporation by common ownership directly or
13 indirectly owns more than a 50 percent interest in the capital and profits of the
14 partnership or limited liability company.

15 4. Any 2 or more corporations if stock representing more than 50 percent of the
16 voting power in each corporation is interest that cannot be separately transferred.

17 5. Any 2 or more corporations if stock representing more than 50 percent of the
18 voting power in each corporation is directly owned by, or for the benefit of, family
19 members. In this subdivision, "family member" means an individual related by
20 blood, marriage, or adoption within the 2nd degree of kinship as computed under s.
21 852.03 (2), 1995 stats., or the spouse of such an individual.

22 6. A corporation, partnership, or limited liability company if a parent
23 corporation or any corporation connected to the parent corporation by common
24 ownership does not hold more than a 50 percent ownership interest in the

1 corporation, partnership, or limited liability company but effectively controls the
2 corporation, partnership, or limited liability company.

3 (e) “Corporation” has the meaning given in s. 71.22 (1k) or 71.42 (1).

4 (f) “Department” means the department of revenue.

5 (g) “Designated agent” means the taxpayer member of a commonly controlled
6 group that files a group return on behalf of the taxpayer members of a combined
7 reporting group.

8 (h) “Group return” means a tax return filed on behalf of the taxpayer members
9 of a combined reporting group.

10 (i) “Intercompany transaction” means a transaction between corporations,
11 partnerships, or limited liability companies that become members of the same
12 combined reporting group immediately after the transaction.

13 (im) “Partnership” means any entity considered a partnership under section
14 7701 of the Internal Revenue Code.

15 (j) “Separate return” means a return filed by a corporation, regardless of
16 whether the corporation is a member of a combined reporting group or is required
17 to file a tax return under s. 71.24 or 71.44.

18 (k) “Taxpayer member” means a corporation that is subject to tax under s. 71.23
19 (1) or (2) or 71.43, that is a member of a combined reporting group, and that files a
20 combined report under this section.

21 (L) “Top-tier corporation” means a member of a commonly controlled group
22 that is not connected with a parent corporation by stock ownership or interest
23 ownership as described in par. (d), that is a parent corporation, or that is a
24 brother-sister parent corporation, regardless of whether it is doing business in this
25 state or deriving income from sources in this state, and regardless of whether its

1 income and apportionment factors are excluded from a combined report filed under
2 this section.

3 (m) "Unitary business" includes the business activities or operations of an
4 entity that are of mutual benefit to, integrated with, or dependent upon or that
5 contribute to activities of at least one other entity, including transactions that serve
6 an operational function, as determined by the department. Two or more businesses
7 are presumed to be a unitary business if the businesses have unity of ownership,
8 operation, and use as indicated by centralized management or a centralized
9 executive force; centralized purchasing, advertising, or accounting; intercorporate
10 sales or leases; intercorporate services; intercorporate debts; intercorporate use of
11 proprietary materials; interlocking directorates; or interlocking corporate officers.

12 (2) CORPORATIONS REQUIRED TO USE COMBINED REPORTING. (a) Except as provided
13 in par. (b), and subject to sub. (6), a corporation that is subject to the tax imposed
14 under s. 71.23 (1) or (2) or 71.43, that is a member of a commonly controlled group,
15 and that is engaged, in whole or in part, in a unitary business with one or more
16 members of the commonly controlled group shall compute the corporation's income
17 attributable to this state by using the income computation under s. 71.26 or 71.45,
18 the apportionment formula under s. 71.25 (6) or 71.45, and the tax credits under s.
19 71.28 or 71.47 of all of the following that are members of the commonly controlled
20 group:

21 1. Any corporation organized or incorporated under the laws of the United
22 States, any state of the United States, the District of Columbia, the Commonwealth
23 of Puerto Rico, any possession of the United States, or any political subdivision of the
24 United States, including corporations under sections 931 to 936 of the Internal
25 Revenue Code.

1 2. Any domestic international sales corporation under sections 991 to 994 of the
2 Internal Revenue Code.

3 3. Any foreign sales corporation under sections 921 to 927 of the Internal
4 Revenue Code.

5 4. Any export trade corporation under sections 970 and 971 of the Internal
6 Revenue Code.

7 5. Any corporation, regardless of its place of incorporation if the average of its
8 property factor under s. 71.25 (7) and its payroll factor under s. 71.25 (8), for property
9 and payroll within the United States and computed on an annual basis, is at least
10 20 percent during any part of the taxable year that a corporation is a member of the
11 commonly controlled group.

12 6. Any corporation not described in subds. 1. to 5. to the extent of the
13 corporation's income within the United States and the corporation's property factor
14 under s. 71.25 (7) and payroll factor under s. 71.25 (8) that is assignable to a location
15 within the United States.

16 (b) A corporation that is subject to the tax imposed under s. 71.23 (1) or (2) or
17 71.43, that is a member of a commonly controlled group, and that is engaged, in whole
18 or in part, in a unitary business with one or more members of the commonly
19 controlled group may, subject to sub. (6), compute the corporation's income
20 attributable to this state by using the income computation under s. 71.26 or 71.45,
21 the apportionment formula under s. 71.25 (6) or 71.45, and the tax credits under s.
22 71.28 or 71.47 of all the members of the commonly controlled group, regardless of the
23 country in which any member of the commonly controlled group is organized or
24 incorporated or conducts business, if all top-tier corporations that are members of

1 the commonly controlled group elect under sub. (3) to compute the corporation's
2 income as provided under this paragraph.

3 **(3) COMPUTATION ELECTION.** (a) A top-tier corporation that is a member of a
4 commonly controlled group may elect on the commonly controlled group's behalf, and
5 in the manner prescribed by the department, to compute the income of each
6 corporation that is a member of the commonly controlled group under sub. (2) (b).
7 If more than one member of the commonly controlled group is a top-tier corporation,
8 an election under this subsection is not effective unless all top-tier corporations elect
9 on the commonly controlled group's behalf, and in the manner prescribed by the
10 department, to compute income under sub. (2) (b).

11 (b) A top-tier corporation shall file an election made under par. (a) with the
12 department before the last day of the taxable year. The top-tier corporation shall
13 designate a taxable year that corresponds with the taxable year of any taxpayer
14 member that is subject to the tax imposed under s. 71.23 (1) or (2) or 71.43. If the
15 top-tier corporation fails to file the election before the last day of the taxable year
16 designated under this paragraph, all members of the commonly controlled group to
17 which the top-tier corporation belongs, including the top-tier corporation, shall
18 compute income under sub. (2) (a).

19 (c) Except as provided under par. (d), the members of the commonly controlled
20 group subject to an election under this subsection shall compute their income under
21 sub. (2) (b) for 7 taxable years, beginning with the taxable year designated under par.
22 (b). Thereafter, the members of the commonly controlled group shall compute their
23 income under sub. (2) (b) for periods of 7 taxable years and until any top-tier
24 corporation that is a member of the commonly controlled group notifies the
25 department, in a manner prescribed by the department, before the last day of the last

1 taxable year in any period of 7 taxable years that the top-tier corporation is
2 terminating the election under this subsection. A termination under this paragraph
3 takes effect on the first day of the first taxable year beginning after the top-tier
4 corporation notifies the department under this paragraph.

5 (d) The department may grant a request by a top-tier corporation to terminate
6 an election under this subsection before the first period of 7 taxable years under par.
7 (c) expires, if the top-tier corporation shows good cause for granting the request, as
8 determined by the department and consistent with section 1502 of the Internal
9 Revenue Code.

10 (e) Except as provided in par. (f), if an election by a top-tier corporation on
11 behalf of the members of a commonly controlled group under this subsection is
12 terminated, no top-tier corporation may make an election on behalf of the members
13 of the same commonly controlled group until 7 taxable years have elapsed from the
14 day that the termination of the original election took effect.

15 (f) The department may grant a request by a top-tier corporation to make an
16 election under this subsection before the period of 7 taxable years under par. (e) have
17 elapsed, if the top-tier corporation shows good cause for granting the request, as
18 determined by the department and consistent with section 1502 of the Internal
19 Revenue Code.

20 **(4) ACCOUNTING PERIOD.** For purposes of this section, the income under ss. 71.26
21 and 71.45, the apportionment factors under ss. 71.25 and 71.45, and the tax credits
22 under ss. 71.28 and 71.47 of all corporations that are members of a combined
23 reporting group shall be determined by using the same accounting period. If the
24 combined reporting group has a common parent corporation, the accounting period
25 of the common parent corporation shall be used to determine the income, the

1 apportionment factors, and the tax credits of all the corporations that are members
2 of the combined reporting group. If the combined reporting group has no common
3 parent corporation, the income, the apportionment factors, and the tax credits of the
4 combined reporting group shall be determined using the accounting period of the
5 member of the combined reporting group that has the most significant operations on
6 a recurring basis in this state, as determined by the department.

7 (5) FILING RETURNS. (a) *Corporations with the same accounting period.*
8 Corporations that must file a combined report under this section and that have the
9 same accounting period may file a group return, as prescribed by the department,
10 that reports the aggregate state franchise or state income tax liability of all of the
11 members of the combined reporting group. Corporations that are required to file a
12 combined report under this section may file separate returns reporting the
13 respective apportionment of the corporation's state franchise or state income tax
14 liability as determined under sub. (2), if each corporation filing a separate return
15 pays its own apportionment of its state franchise or state income tax liability.

16 (b) *Corporations with different accounting periods.* Corporations that are
17 required to file a combined report and that have different accounting periods shall
18 file separate returns and shall use the actual figures from the financial records of the
19 corporations to determine the proper income and income-related computations to
20 convert to a common accounting period. Corporations that are required to file a
21 combined report may use a proportional method to convert income to a common
22 accounting period if the results of the proportional method do not materially
23 misrepresent the income apportioned to this state. The apportionment factors under
24 ss. 71.25 and 71.45 and the tax credits under ss. 71.28 and 71.47 shall be computed
25 according to the same method used to determine the income under ss. 71.26 and

1 71.45 for the common accounting period. If a corporation performs an interim closing
2 of its financial records to determine the income attributable to the common
3 accounting period, the actual figures from the interim closing shall be used to convert
4 the apportionment factors and tax credits to the common accounting period.

5 (c) *Designated agent.* 1. For corporations that are subject to this section and
6 that file a group return under par. (a), the parent corporation of the combined
7 reporting group is the sole designated agent for each member of the combined
8 reporting group including the parent corporation, if the parent corporation is a
9 taxpayer member of the combined reporting group and income of the parent
10 corporation is included on the group return. If the parent corporation is not a
11 taxpayer member or if the parent corporation's income is not included on the group
12 return, the taxpayer members may appoint a taxpayer member to be the designated
13 agent. If the parent corporation of the combined reporting group is not eligible to be
14 the designated agent and no taxpayer member is appointed to be the designated
15 agent, the designated agent is the taxpayer member that has the most significant
16 operations in this state on a recurring basis, as determined by the department. The
17 designated agent, as determined under this subdivision, remains the designated
18 agent until the designated agent is no longer a taxpayer member or until the
19 taxpayer members appoint a different designated agent. If the designated agent
20 changes, the combined reporting group shall notify the department of such a change,
21 in a manner prescribed by the department.

22 2. The designated agent shall file the group return under par. (a), shall file for
23 any extensions under s. 71.24 (7) or 71.44 (3), shall file amended reports and claims
24 for refund or credit, and shall send and receive all correspondence with the
25 department regarding a group return. Any notice the department sends to the

1 designated agent is considered a notice sent to all members of the combined reporting
2 group. Any refund with respect to a group return shall be paid to and in the name
3 of the designated agent and shall discharge any liability of the state to any member
4 of a combined reporting group regarding the refund. The combined reporting group
5 filing a group return under par. (a) shall pay all taxes, including estimated taxes, in
6 the designated agent's name. The designated agent shall participate on behalf of the
7 members of the combined reporting group in any investigation or hearing requested
8 by the department regarding a group return and shall produce all information
9 requested by the department regarding a group return. The designated agent may
10 execute a power of attorney on behalf of the members of the combined reporting
11 group. The designated agent shall execute waivers, closing agreements, and other
12 documents regarding a group return filed under par. (a) and any waiver, agreement,
13 or document executed by the designated agent shall be considered as executed by all
14 members of the combined reporting group. If the department acts in good faith with
15 a combined reporting group member that represents itself as the designated agent
16 for the combined reporting group but that combined reporting group member is not
17 the designated agent, any action taken by the department with that combined
18 reporting group member has the same effect as if that combined reporting group
19 member were the actual designated agent for the combined reporting group.

20 (d) *Part-year members.* If a corporation becomes a member of a combined
21 reporting group or ceases to be a member of a combined reporting group after the
22 beginning of a common accounting period, the corporation's income shall be
23 apportioned to this state as follows:

24 1. If the corporation is required to file 2 or more short-period federal returns
25 for the common accounting period, the income for the short period in which the

1 corporation was a member of a combined reporting group shall be determined as
2 provided under sub. (2), the corporation shall join in filing a combined report for that
3 short period, and the corporation may join in filing a group return for that short
4 period. The income for the remaining short period shall be reported on a separate
5 return under s. 71.26 or 71.45. If the corporation becomes a member of another
6 combined reporting group in the remaining short period, the corporation's income
7 shall be determined for the remaining short period as provided under sub. (2).

8 2. If the corporation is not required to file federal short-period returns, the
9 corporation shall file a separate return. Income shall be determined as follows:

10 a. As provided under sub. (2) for any period that the corporation was a member
11 of a combined reporting group.

12 b. As a separate entity under s. 71.26 or 71.45 for any period that the
13 corporation was not a member of a combined reporting group.

14 (e) *Amended group return.* The election to file a group return under this section
15 applies to an amended group return that includes the same corporations that joined
16 in the filing of the original group return. Under this section, an amended group
17 return shall be filed as follows:

18 1. If an election to file a group return that is in effect for a taxable year is
19 revoked for the taxable year because the combined reporting group that filed the
20 group return is not subject to sub. (2), as determined by the department, the
21 designated agent for the combined reporting group may not file an amended group
22 return. The designated agent and each corporation that joined in filing the group
23 return shall file a separate amended return. To compute the tax due on a separate
24 amended return, a corporation that files a separate amended return shall consider

1 all of the payments, credits, or other amounts, including refunds, that the designated
2 agent allocated to the corporation.

3 2. If a change in tax liability under this section is the result of the removal of
4 a corporation from a combined reporting group because the corporation was not
5 eligible to be a member of the combined reporting group for the taxable year, as
6 determined by the department, the designated agent shall file an amended group
7 return and the ineligible corporation shall file a separate amended return.

8 3. If a corporation erroneously fails to join in the filing of a group return, the
9 designated agent shall file an amended group return that includes the corporation.
10 If a corporation that erroneously fails to join in the filing of a group return has filed
11 a separate return, the corporation shall file an amended separate return that shows
12 no net income, overpayment, or underpayment, and shows that the corporation has
13 joined in the filing of a group return.

14 **(6) INCOME COMPUTATION UNDER COMBINED REPORTING.** For the purposes of sub.
15 (2), income attributable to this state shall be determined as follows:

16 (a) Determine the net income of each member of a combined reporting group
17 under s. 71.26 or 71.45, as appropriate, before deducting net business losses. A
18 member of a combined reporting group may determine its net loss or net income
19 under a method of accounting or an election authorized under s. 71.26 (3) (y), 71.30
20 (1), 71.45 (2) (a) 13., or 71.49 (2), as appropriate, regardless of the accounting method
21 used to determine the net loss or net income of other members of the combined
22 reporting group. After a member establishes an accounting method, or makes any
23 election under this section, the member's net loss or net income shall be consistently
24 determined in the combined report of all members of the combined reporting group
25 and in the group return filed by the taxpayer members or in the separate return filed

1 by the members. If a corporation is engaged in 2 or more trades or businesses that
2 are required to use different apportionment formulas under s. 71.25 or 71.45, the net
3 income for each trade or business shall be computed separately. A unitary business
4 with operations in a foreign country shall compute its net loss or net income as
5 provided by rule by the department.

6 (b) Adjust each member's income, as determined under par. (a), as provided
7 under s. 71.30.

8 (c) From the amount determined under par. (b), subtract intercompany
9 transactions, as provided by rule by the department, such that intercompany
10 accounts of assets, liabilities, equities, income, costs, or expenses are excluded from
11 the income determination to accurately reflect the income, the apportionment
12 factors, and the tax credits in a combined report that is filed under this section. An
13 intercompany transaction includes the following:

14 1. Income or gain from sales, exchanges, contributions, or other transfers of
15 tangible or intangible property from a member of the combined reporting group to
16 another member of the combined reporting group.

17 2. Annual rent paid by a member of the combined reporting group to another
18 member of the combined reporting group.

19 3. Annual license fees or royalties paid by a member of the combined reporting
20 group to another member of the combined reporting group.

21 4. Loans, advances, receivables, and similar items that one member of the
22 combined reporting group owes to another member of the combined reporting group,
23 including interest income and interest expense related to these items.

24 5. Stock or other equity of a member of the combined reporting group that is
25 owned or controlled by another member of the combined reporting group.

1 6. Except as provided by rule by the department, dividends paid out of earnings
2 or profits and paid by a member of the combined reporting group to another member
3 of the combined reporting group.

4 7. Management or service fees paid by a member of the combined reporting
5 group to another member of the combined reporting group.

6 8. Income or expenses allocated or charged by a member of the combined
7 reporting group to another member of the combined reporting group.

8 (d) From the amount determined under par. (c) for each member of a combined
9 reporting group, subtract nonapportionable income, net of related expenses, and add
10 nonapportionable losses, net of related expenses, to determine each member's
11 apportionable net income or apportionable net loss.

12 (e) Calculate the apportionment factors under sub. (7) and multiply each
13 member's apportionable net income or apportionable net loss, as determined under
14 par. (d), by the member's apportionment factor as determined under sub. (7).

15 (f) For each corporation, combine the amounts determined under par. (e) for
16 each trade or business.

17 (g) To the amounts determined under par. (f), add each member's
18 nonapportionable income attributable to this state and subtract each member's
19 nonapportionable losses attributable to this state.

20 (h) If the combined reporting group is not filing a group return, combine the
21 amounts determined under par. (g) for all members of the combined reporting group.

22 (i) If the combined reporting group is filing a group return, combine the
23 amounts determined under par. (g) for all members of the combined reporting group
24 that join in filing the group return.

1 (j) From the amount determined under par. (h) or (i), as appropriate, subtract
2 the combined reporting group's net operating loss as determined under sub. (8).

3 **(7) APPORTIONMENT FACTOR COMPUTATION UNDER COMBINED REPORTING.** For the
4 purposes of sub. (2), this state's apportionment factors are determined as follows:

5 (a) 1. Determine the numerator and the denominator of the apportionment
6 factors as determined under s. 71.25 or 71.45, as appropriate, for each member of the
7 combined reporting group, except as provided in subd. 2.

8 2. If a member of a combined reporting group is not subject to the tax imposed
9 under s. 71.23 or 71.43 because it does not have sufficient connection to this state as
10 a separate entity for income or franchise tax purposes, as determined by the
11 department, the numerator of the member's sales factor under s. 71.25 (9) or
12 apportionment factor under s. 71.45 (3) is zero. If a member of a combined reporting
13 group is a corporation engaged in business wholly within this state, as provided
14 under s. 71.25 (4), the numerator and denominator of the member's apportionment
15 factors are the same. If a member of a combined reporting group is not subject to an
16 income or franchise tax as a separate entity in the state to which a sale is attributed,
17 the sale is attributed to this state.

18 (b) Subtract intercompany transactions under sub. (6) (c) from both the
19 numerators and the denominators as determined under par. (a).

20 (c) Add the denominators of the apportionment factors for each member of the
21 combined reporting group, as determined under par. (b), to arrive at the combined
22 denominator.

23 (d) Compute each corporation's apportionment factors by dividing the
24 corporation's numerator as determined under par. (b) by the combined denominator
25 as determined under par. (c).

1 **(8) NET BUSINESS LOSS CARRY-OVER.** (a) For taxable years beginning after
2 December 31, 2005, any net business loss of a corporation that is a member of a
3 combined reporting group as determined under sub. (6) for the taxable year that is
4 not offset against the net income of the other members of the combined reporting
5 group in the same taxable year may be carried forward as provided under s. 71.26
6 (4), except that any net business loss carried forward to a subsequent taxable year
7 may be offset against either the net income of the corporation that incurred the net
8 business loss or the net income of the combined reporting group of which the
9 corporation is a member, in the manner prescribed by rule by the department.

10 (b) A corporation that is a member of a combined reporting group may not carry
11 forward a net business loss from a taxable year beginning before January 1, 2006,
12 if the corporation was not subject to the tax imposed under s. 71.23 or 71.43 for the
13 same taxable year.

14 (c) A corporation that is a member of a combined reporting group and that
15 incurred a Wisconsin net business loss in a taxable year beginning before January
16 1, 2006, that has not been offset against the corporation's net income in subsequent
17 taxable years may offset the remaining net business loss against the corporation's
18 net income as determined under sub. (6). If the corporation joins in filing a group
19 return under sub. (5) and the corporation's remaining net business loss exceeds the
20 corporation's net income as determined under sub. (6) for the first taxable year
21 beginning after December 31, 2005, that the corporation is subject to this section, the
22 corporation may annually offset up to 20 percent of the remaining net business loss
23 against the net income of the other members of the combined reporting group that
24 join in filing a group return under sub. (5).

1 **(9) NET INCOME OR LOSS FOR CORPORATIONS WITH DIFFERENT ACCOUNTING PERIODS.**

2 If a taxpayer member has a different accounting period from the common accounting
3 period of the combined reporting group, the combined reporting group shall assign
4 the combined report income or loss for the combined reporting group, as determined
5 under sub. (6), proportionally to the number of months in the taxpayer member's
6 taxable year that are wholly or partly within the combined reporting group's common
7 accounting period. The total amount of income or loss assigned to a taxpayer member
8 under this subsection for the portions of the common accounting period that are
9 included in the taxpayer member's taxable period shall be aggregated or netted to
10 determine the taxpayer member's apportionable income.

11 **(10) NET TAX LIABILITY.** (a) A corporation that files a separate return under this
12 section shall determine its net tax liability as follows:

13 1. Multiply the amount determined under sub. (6) (i) for the corporation by the
14 tax rate under s. 71.27 or 71.46, as appropriate.

15 2. From the amount determined under subd. 1., subtract the corporation's tax
16 credits under s. 71.28 or 71.47 based on the corporation's expenses. The corporation
17 may not offset any of its tax credits, or tax credit carry-forwards, against the tax
18 liability of any other member of the combined reporting group to which the
19 corporation belongs.

20 (b) A combined reporting group that files a group return under this section shall
21 determine its net tax liability as follows:

22 1. Multiply the amount determined under sub. (6) (i) for the combined reporting
23 group by the tax rate under s. 71.27 or 71.46, as appropriate.

24 2. From the amount determined under subd. 1., subtract the tax credits under
25 ss. 71.28 and 71.47 for all taxpayer members of the combined reporting group.

1 **(11) ESTIMATED TAX PAYMENTS.** (a) For the first 2 taxable years that a group
2 return is filed under this section, estimated taxes under ss. 71.29 and 71.48 may be
3 paid on a group basis or on a separate basis. The amount of any separate estimated
4 taxes paid in the first 2 taxable years that a group return is filed shall be credited
5 against the group's tax liability. The designated agent shall notify the department
6 of any estimated taxes paid on a separate basis in the first 2 taxable years that a
7 group return is filed.

8 (b) If a group return is filed for 2 consecutive taxable years, estimated taxes
9 under ss. 71.29 and 71.48 shall be paid on a group basis for each subsequent taxable
10 year until such time as separate returns are filed by the corporations that were
11 members of a combined reporting group that filed group returns under this section.
12 For each taxable year in which combined estimated taxes are paid under this
13 subsection, the department shall consider the combined reporting group filing a
14 group return to be one taxpayer for purposes of computing interest on the
15 underpayment of estimated taxes. If a corporation subject to this section files a
16 separate return in a taxable year following a year in which the corporation joined in
17 filing a group return, the amount of any estimated tax payments made on a group
18 basis for the previous year shall be credited against the tax liability of the corporation
19 that files a separate return, as allocated by the designated agent with the
20 department's approval.

21 (c) If a combined reporting group pays estimated taxes on a group basis for a
22 taxable year or for any part of a taxable year, and the members of the combined
23 reporting group file separate returns for the taxable year, the designated agent, with
24 the department's approval, shall allocate the estimated tax payments among the
25 members of the combined reporting group.

1 (d) If estimated taxes are paid on a group basis for a taxable year but the group
2 does not file a group return for the taxable year and did not file a group return for
3 the previous taxable year, the estimated tax shall be credited to the member of the
4 combined reporting group that made the estimated tax payment on the group's
5 behalf.

6 (e) If a combined reporting group that will file a group return applies for a
7 refund of estimated taxes under s. 71.29 (3m), the department shall determine the
8 combined reporting group's eligibility for a refund on a group basis.

9 **(12) INTEREST FOR UNDERPAYMENT OF ESTIMATED TAX.** (a) *General.* The amount
10 of interest that is due for an underpayment of estimated taxes under sub. (11) shall
11 be computed as follows:

12 1. For the first year in which a combined reporting group files a group return,
13 the amount of interest that is due for an underpayment of estimated taxes shall be
14 determined by using the aggregate of the tax and income shown on the returns filed
15 by the members of the combined reporting group for the previous year.

16 2. For any year in which a combined reporting group files a group return, the
17 department shall determine if the combined reporting group qualifies for the
18 exception to interest under s. 71.29 (7) (b) by using the aggregate of the amount of
19 the tax liability and the amount of the net income of all members of the combined
20 reporting group.

21 3. For any year in which a combined reporting group files a group return, the
22 department shall determine if the installment provisions under s. 71.29 (9) or (10)
23 apply to the combined reporting group by using the aggregate of the amount of the
24 tax liability and the amount of the net income of all members of the combined
25 reporting group.

1 4. For estimated taxes paid under sub. (11) (c), the amount of interest that is
2 due from a member of a combined reporting group for an underpayment of estimated
3 taxes paid by the member shall be determined by using the member's separate items
4 from the group return filed for the previous year and the member's allocated share
5 of the combined estimated tax payments for the current year. The designated agent
6 shall report the member's allocated share of the combined estimated tax payments
7 for the current year to the department, in the manner prescribed by the department.

8 (b) *Entering a group.* If a corporation becomes a member of a combined
9 reporting group during a common accounting period under sub. (4), the combined
10 reporting group shall make the following adjustments to determine the amount of
11 interest that is due for an underpayment of estimated taxes:

12 1. If a corporation becomes a member of a combined reporting group at the
13 beginning of a common accounting period, the combined reporting group shall
14 include with the corresponding items on the group return for the previous common
15 accounting period the separate items shown on the corporation's return for the
16 previous taxable year.

17 2. If a corporation is not a member of a combined reporting group for an entire
18 common accounting period, the combined reporting group shall include with the
19 corresponding items on the group return for the current taxable year the
20 corporation's separate items for that portion of the common accounting period that
21 the corporation was not a member of the combined reporting group.

22 3. To determine the separate items under subs. 1. and 2., if a corporation is
23 a member of a combined reporting group during a portion of a common accounting
24 period in which the corporation becomes a member of another combined reporting
25 group, the corporation's separate items shall include the separate items that are

1 attributed to the corporation by the designated agent of the first combined reporting
2 group.

3 (c) *Leaving a group.* If a corporation leaves a combined reporting group during
4 a common accounting period under sub. (4), the combined reporting group shall make
5 the following adjustments to determine the amount of interest that is due for an
6 underpayment of estimated taxes:

7 1. If a corporation leaves a combined reporting group before the first day of a
8 common accounting period, the combined reporting group shall exclude the separate
9 items that the designated agent of the combined reporting group attributed to the
10 corporation for the preceding common accounting period from the corresponding
11 items of the combined reporting group for the preceding common accounting period.

12 2. If a corporation leaves a combined reporting group after the first day of a
13 common accounting period, the combined reporting group shall exclude the separate
14 items that the designated agent of the combined reporting group attributed to the
15 corporation for the common accounting period from the corresponding items of the
16 combined reporting group for the current common accounting period.

17 3. A corporation that leaves a combined reporting group shall use the separate
18 items that the designated agent of the combined reporting group attributed to the
19 corporation to determine the amount of interest that is owed for any underpayment
20 of estimated taxes under sub. (11) for the first taxable year beginning after the day
21 that the corporation leaves the combined reporting group or, for a corporation that
22 has a different accounting period from the combined reporting group, for the portion
23 of the corporation's separate taxable year that remains after the day that the
24 corporation leaves the combined reporting group.

1 **(13) ASSESSMENT NOTICE.** If the department sends a notice of taxes that are
2 owed by a combined reporting group to the designated agent of a combined reporting
3 group, the notice shall name each corporation that joined in filing the group return
4 related to the notice during any part of the period covered by the notice. The
5 department's failure to name a corporation on a notice under this subsection shall
6 not invalidate the notice as to the unnamed corporation. Any levy, lien, or other
7 proceeding to collect the amount of a tax assessment under this section shall name
8 the corporation from which the department shall collect the assessment. If a
9 corporation that joined in the filing of a group return leaves the combined reporting
10 group, the department shall send the corporation a copy of any notice sent to the
11 combined reporting group under this subsection if the corporation notifies the
12 department that the corporation is no longer a member of the combined reporting
13 group and if the corporation requests in writing that the department send notices
14 under this subsection to the corporation. The department's failure to comply with
15 a corporation's request to receive a notice does not affect the tax liability of the
16 corporation.

17 **(14) LIABILITY FOR TAX, INTEREST, AND PENALTY.** If members of a combined
18 reporting group file a group return, the members of the combined reporting group
19 shall be jointly and severally liable for any combined tax, interest, or penalty. The
20 liability of a member of a combined reporting group for any combined tax, interest,
21 or penalty shall not be reduced by an agreement with another member of the
22 combined reporting group or by an agreement with another person.

23 **(15) PRESUMPTIONS AND BURDEN OF PROOF.** A commonly controlled group shall
24 be presumed to be engaged in a unitary business and all of the income of the unitary
25 business shall be presumed to be apportionable business income under this section.

1 A corporation, partnership, or limited liability company has the burden of proving
2 that it is not a member of a commonly controlled group that is subject to this section.
3 The department shall promulgate rules to implement this subsection.

4 **(16) INFORMATION.** (a) A member of a commonly controlled group shall retain
5 any information, and provide such information to the department at the
6 department's request, that the department considers necessary to administer this
7 section, including all documents submitted to or obtained from the Internal Revenue
8 Service or other states regarding income and taxing jurisdiction.

9 (b) A member of a commonly controlled group shall identify, at the department's
10 request, the name, job title, and address of the member's principal officers or
11 employees who have substantial knowledge of, and access to, documents that specify
12 the pricing policies, profit centers, cost centers, and methods of allocating income and
13 expenses among cost centers related to the operations of the member.

14 (c) A member of a commonly controlled group shall retain all information
15 provided under par. (a) during any period for which the member's tax liability to this
16 state is subject to adjustment, including any period in which the state may assess
17 additional income or franchise taxes, an appeal of the member's tax assessment is
18 pending, or a suit related to the member's tax liability is pending.

19 **(17) CORPORATIONS NOT FILING.** If a corporation that is required to report under
20 this section directly or indirectly owns or controls any other corporation, or is directly
21 or indirectly owned or controlled by another corporation, the department may
22 require that such other corporations join in filing a combined report under this
23 section.

24 **SECTION 1k.** 71.26 (3) (x) of the statutes is amended to read:

1 71.26 (3) (x) Sections 1501 to 1505, 1551, 1552, 1563 and 1564 (relating to
2 consolidated returns) are excluded, except to the extent that they pertain to
3 intercompany transactions and the carry-forward of net business loss under s.
4 71.255 and except that they are modified so that more than 50 percent ownership is
5 substituted for at least 80 percent ownership.

6 **SECTION 1L.** 71.26 (4) of the statutes is amended to read:

7 71.26 (4) A corporation, except a tax-option corporation or an insurer to which
8 s. 71.45 (4) applies, may offset against its Wisconsin net business income any
9 Wisconsin net business loss sustained in any of the next 15 preceding taxable years,
10 if the corporation was subject to taxation under this chapter in the taxable year in
11 which the loss was sustained, to the extent not offset by other items of Wisconsin
12 income in the loss year and by Wisconsin net business income of any year between
13 the loss year and the taxable year for which an offset is claimed. For purposes of this
14 subsection Wisconsin net business income or loss shall consist of all the income
15 attributable to the operation of a trade or business in this state, less the business
16 expenses allowed as deductions in computing net income. The Wisconsin net
17 business income or loss of corporations engaged in business within and without the
18 state shall be determined under s. 71.25 (6) and (10) to (12) or 71.255.
19 Nonapportionable losses having a Wisconsin situs under s. 71.25 (5) (b) shall be
20 included in Wisconsin net business loss; and nonapportionable income having a
21 Wisconsin situs under s. 71.25 (5) (b), whether taxable or exempt, shall be included
22 in other items of Wisconsin income and Wisconsin net business income for purposes
23 of this subsection.

24 **SECTION 1m.** 71.29 (2) of the statutes is amended to read:

1 71.29 (2) WHO SHALL PAY. ~~Every~~ Except as provided in s. 71.255 (11), every
2 corporation subject to tax under s. 71.23 (1) or (2) and every virtually exempt entity
3 subject to tax under s. 71.125 or 71.23 (1) or (2) shall pay an estimated tax.

4 **SECTION 1n.** 71.44 (1) (a) of the statutes is amended to read:

5 71.44 (1) (a) ~~Every~~ Except as provided in par. (e), every corporation, except
6 corporations all of whose income is exempt from taxation and except as provided in
7 sub. (1m), shall furnish to the department a true and accurate statement, on or before
8 March 15 of each year, except that returns for fiscal years ending on some other date
9 than December 31 shall be furnished on or before the 15th day of the 3rd month
10 following the close of such fiscal year and except that returns for less than a full
11 taxable year shall be furnished on or before the date applicable for federal income
12 taxes under the internal revenue code, in such manner and form and setting forth
13 such facts as the department deems necessary to enforce this chapter. Every
14 corporation that is required to furnish a statement under this paragraph and that
15 has income that is not taxable under this subchapter shall include with its statement
16 a report that identifies each item of its nontaxable income. The statement shall be
17 subscribed by the president, vice president, treasurer, assistant treasurer, chief
18 accounting officer or any other officer duly authorized so to act. In the case of a return
19 made for a corporation by a fiduciary, the fiduciary shall subscribe the return. The
20 fact that an individual's name is subscribed on the return shall be prima facie
21 evidence that the individual is authorized to subscribe the return on behalf of the
22 corporation.

23 **SECTION 1o.** 71.44 (1) (e) of the statutes is created to read:

1 71.44 (1) (e) A corporation that is a member of a commonly controlled group,
2 as defined in s. 71.255 (1) (d), and engaged in a unitary business, as defined in s.
3 71.255 (1) (m), shall file a tax return under s. 71.255.

4 **SECTION 1p.** 71.46 (3) of the statutes is repealed.

5 **SECTION 1q.** 71.48 of the statutes is amended to read:

6 **71.48 Payments of estimated taxes.** Sections Except as provided in s.
7 71.255 (11), ss. 71.29 and 71.84 (2) shall apply to insurers subject to taxation under
8 this chapter.

9 **SECTION 1r.** 71.84 (2) (a) of the statutes is amended to read:

10 71.84 (2) (a) Except as provided in s. 71.29 (7), in the case of any underpayment
11 of estimated tax under s. 71.255, 71.29 or 71.48 there shall be added to the aggregate
12 tax for the taxable year interest at the rate of 12% per year on the amount of the
13 underpayment for the period of the underpayment. For corporations, except as
14 provided in par. (b), “period of the underpayment” means the time period from the
15 due date of the installment until either the 15th day of the 3rd month beginning after
16 the end of the taxable year or the date of payment, whichever is earlier. If 90% of the
17 tax shown on the return is not paid by the 15th day of the 3rd month following the
18 close of the taxable year, the difference between that amount and the estimated taxes
19 paid, along with any interest due, shall accrue delinquent interest under s. 71.91 (1)
20 (a).”.

21 **4.** Page 2, line 1: delete “**SECTION 1**” and substitute “**SECTION 1s**”.

22 **5.** Page 3, line 14: after that line insert:

23 “**SECTION 1t. Initial applicability.**

1 (1) The treatment of sections 20.835 (2) (bm), 71.05 (6) (a) 15., 71.07 (5e), 71.08
2 (1) (intro.), 71.10 (4) (gxx), 71.23 (2) and (4), 71.25 (9) (a), 71.255, 71.26 (3) (x) and (4),
3 71.29 (2), 71.44 (1) (a) and (e), 71.46 (3), 71.48, and 71.84 (2) (a) of the statutes first
4 applies to taxable years beginning on January 1, 2006.”.

5

(END)