



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-1340/P2
KRP:ahc

DOA:.....Wimmer, BB0190 - E-filing thresholds, due dates, and extensions
FOR 2017-2019 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; **relating to:** the budget.

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

This bill makes various changes to the requirements for when and how certain information related to income and franchise taxes must be filed with DOR.

The bill requires that a taxpayer that files ten or more wage statements or ten or more of any one type of information return with DOR must file those statements or returns electronically. Under current law, the electronic filing requirement applies to a taxpayer that files 50 or more statements or returns.

The bill provides that a person who must file the following information returns with DOR must file those returns no later than January 31 of the year following the year to which the return applies:

1. A return describing nonwage payments made by a resident of this state or a nonresident carrying on activities within this state in a calendar year in the amount of \$600 or more for services performed within this state by an individual.
2. A return describing royalties or rents deducted in determining the taxable income of a person that is not a corporation, except that the return need only describe royalties of \$600 or more paid during the taxable year to an individual who is a resident of this state and rents of \$600 or more paid during the taxable year to an individual for property that is located in this state.

Under current law, the deadline to file those information returns with DOR is March 15 for corporations and February 28 for all other persons.

The bill also requires that a resident of this state or a nonresident carrying on activities within this state must file an information return with DOR that describes wages paid in a calendar year that were not subject to withholding in this state for any of the following services:

1. Services performed within this state by an individual who is not a resident of this state.

2. Services performed by an individual who is a resident of this state, regardless of where the services are performed.

The deadline to file that return is the same as for the other information returns described above.

Under the bill, if an employer applies for an extension and shows good cause why an extension should be granted, DOR may grant a 30-day extension for the employer to file those information returns. Under current law, DOR may grant a 60-day extension.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

SECTION 1. 71.65 (2) (b) of the statutes is amended to read:

71.65 (2) (b) Every resident of this state and every nonresident carrying on activities within this state, whether taxable or not under this chapter, who pays in any calendar year for services performed within this state by an individual remuneration ~~which~~ that is excluded from the definition of wages, in the amount of \$600 or more, shall, on or before ~~February 28~~ January 31 of the year following the year in which the payments are made, furnish a statement, in such form as required by the department, disclosing the name of the payor, the name and address of the recipient ~~of the payment~~, and the total amount paid in such ~~the calendar~~ year to such the recipient. The person who pays for the services shall, on or before ~~January 31~~ of the year in which the statement is required to be furnished to the department ~~that~~ deadline, furnish the recipient of the payment with a copy of ~~that~~ the statement. In any case in which an individual receives wages and also remuneration for services

which remuneration is excluded from such definition, both from the same payor, the wages and the excluded remuneration shall both be reported in the report required under this subsection in a manner satisfactory to the department, regardless of the amount of the excluded remuneration.

SECTION 2. 71.65 (5) (a) (intro.), 1. and 2. of the statutes are consolidated, renumbered 71.65 (5) (a) and amended to read:

71.65 (5) (a) If an employer applies for an extension and shows good cause why an extension should be granted, the department may grant the following extensions for the following statements: 1. Thirty days a 30-day extension for filing a wage statement under sub. (1) or, an annual reconciliation report under sub. (3) (a) or (d). 2. Sixty days for filing, or a statement of nonwage payments under sub. (2) (b).

SECTION 3. 71.70 (1) of the statutes is amended to read:

71.70 (1) PERSONS OTHER THAN CORPORATIONS. Persons other than corporations deducting rent or royalties in determining taxable income shall file a report that shows the amounts and the name and address of all natural persons each individual who are residents is a resident of this state and to whom royalties of \$600 or more were are paid during the taxable year; and the amounts and the name and address of all natural persons each individual to whom rent of \$600 or more is paid during the taxable year for property having a situs in this state. Such information shall be filed The person who deducts rent or royalties shall file the report on or before February 28 January 31 of the year following the year in which the payments were are made. The person who deducts rent or royalties shall, on or before January 31 of the year in which the report is required to be furnished that deadline, furnish the recipient of the payment with a copy of that the report.

SECTION 4. 71.70 (2) of the statutes is amended to read:

71.70 (2) CORPORATIONS. All corporations doing business in this state shall file, on or before ~~March 15~~ January 31, any information relative to payments made within the preceding calendar year of rents and royalties to all ~~natural persons~~ individuals taxable thereon under this chapter. ~~A~~ The corporation that makes the payment shall, on or before ~~January 31~~ of the year in which the statement is required to be furnished to the department that deadline, furnish the recipient of the payment with a copy of ~~that~~ the statement.

SECTION 5. 71.71 (title) of the statutes is amended to read:

71.71 (title) **Wages subject to withholding.**

SECTION 6. 71.715 of the statutes is created to read:

71.715 Wages not subject to withholding. (1) STATEMENT EMPLOYER MUST FURNISH TO EMPLOYEE. (a) Every employer, as defined in s. 71.63 (3), that pays in any calendar year wages, as defined in s. 71.63 (6), to an employee, as defined in s. 71.63 (2), from which the employer was not required to deduct and withhold from the employee under the general withholding provisions of subch. X., shall furnish to the employee, with respect to the wages paid by the employer to the employee during a calendar year, on or before January 31 of the year following the year in which the wages are paid, or, if the employee's employment is terminated before the close of a calendar year, on the day on which the last payment of wages is made, 2 legible copies of a written statement showing all of the following:

1. The name of the employer and the employer's Wisconsin income tax identification number, if any.
2. The name of the employee and the employee's social security number, if any.
3. The total amount of wages the employer paid in the calendar year to the employee.

(b) An employee that receives a statement under par. (a) shall furnish the department one copy of the statement along with the employee's return for the year.

(2) STATEMENT EMPLOYER MUST FILE. Every employer required to furnish a statement under sub. (1) (a) shall file, with respect to the wages paid by the employer to an employee as described in sub. (1) during the calendar year, on or before January 31 of the year following the year in which the wages are paid, one copy of the statement.

SECTION 7. 71.72 of the statutes is amended to read:

71.72 Statement of nonwage payments. Every resident of this state and every nonresident carrying on activities within this state, whether taxable or not under this chapter, who pays in any calendar year for services performed within this state by an individual remuneration which that is excluded from the definition of wages in s. 71.63 (6), in the amount of \$600 or more, shall, on or before ~~February 28~~ January 31 of the year following the year in which the payments ~~were~~ are made, file a statement disclosing the name of the payor, the name and address of the recipient of the payment, and the total amount paid in such the calendar year to such the recipient. The person who pays for the services shall, on or before ~~January 31~~ of the year in which the statement is required to be furnished to the department that deadline, furnish the recipient of the payment with a copy of ~~that~~ the statement. In any case in which an individual receives wages, as defined in s. 71.63 (6), and also remuneration for services which remuneration is excluded from such definition, both from the same payor, the wages and the excluded remuneration shall both be reported in the statement required by s. 71.71 (2) in a manner satisfactory to the department, regardless of the amount of the excluded remuneration.

SECTION 8. 71.73 (2) (intro.), (a), (b) and (c) of the statutes are consolidated, renumbered 71.73 (2) and amended to read:

71.73 (2) EXTENSIONS. If ~~an employer~~ a person applies for an extension and shows good cause why an extension should be granted, the department of revenue may grant the following extensions for the following statements: ~~(a) Sixty days a 30-day extension~~ for filing a rent and royalty statement under s. 71.70. ~~(b) Thirty days for filing,~~ a wage statement under s. 71.71. ~~(c) Sixty days for filing, a wage statement~~ under s. 71.715, or a statement of nonwage payments under s. 71.72.

SECTION 9. 71.80 (20) of the statutes is amended to read:

71.80 (20) ELECTRONIC FILING. If a person is required to file ~~50~~ 10 or more wage statements or ~~50~~ 10 or more of any one type of information return with the department, the person shall file the statements or the returns electronically, by means prescribed by the department.

SECTION 9338. Initial applicability; Revenue.

(1) FILING OF CERTAIN INFORMATION RELATED TO INCOME AND FRANCHISE TAXES. The treatment of sections 71.65 (2) (b), 71.70 (1) and (2), 71.715, and 71.72 of the statutes first applies to payments made on January 1, 2017.

(2) EXTENSION OF TIME TO FILE CERTAIN INFORMATION. The treatment of sections 71.65 (5) (a) (intro.), 1., and 2. and 71.73 (2) (intro.), (a), (b), and (c) of the statutes first applies to an extension applied for on the effective date of this subsection.

(3) ELECTRONIC FILING. The treatment of section 71.80 (20) of the statutes first applies to a statement or return required to be filed in 2018.

(END)