



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-1026/P2
JK:cdc

DOA:.....Quinn, BB0142 - Internal Revenue Code update

FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION

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

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

1. Internal Revenue Code references

This bill adopts, for state income and franchise tax purposes, changes made to the Internal Revenue Code by the Bipartisan Budget Act and Consolidated Appropriations Act of 2018. The federal act retroactively extended, through the end of 2017, a variety of federal tax benefits for individuals and businesses, including the tuition expense deduction, the exclusion from income for forgiven mortgage debt, and tax incentives for businesses to invest in mine safety equipment or in certain communities. These provisions have always been temporary under federal law, generally expiring every one or two years, and had expired at the end of 2016. The federal act also includes several permanent provisions of limited scope, such as one allowing certain whistleblowers to fully deduct attorney fees.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

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SECTION 1. 71.01 (6) (c) of the statutes is repealed.

SECTION 2. 71.01 (6) (j) 3. m. of the statutes is created to read:

71.01 (6) (j) 3. m. Sections 101 (m), (n), (o), (p), and (q) and 104 (a) of division U of P.L. [115-141](#).

SECTION 3. 71.01 (6) (k) 3. of the statutes is amended to read:

71.01 (6) (k) 3. For purposes of this paragraph, “Internal Revenue Code” does not include amendments to the federal Internal Revenue Code enacted after December 31, 2016, except that “Internal Revenue Code” includes sections 11024, 11025, and 13543 of P.L. [115-97](#) and sections 40307 and 40413 of P.L. [115-123](#).

SECTION 4. 71.01 (6) (L) 1. of the statutes is amended to read:

71.01 (6) (L) 1. For taxable years beginning after December 31, 2017, and before January 1, 2019, for individuals and fiduciaries, except fiduciaries of nuclear decommissioning trust or reserve funds, “Internal Revenue Code” means the federal Internal Revenue Code as amended to December 31, 2017, except as provided in subds. 2. and 3. and s. 71.98 and subject to subd. 4.

SECTION 5. 71.01 (6) (L) 4. of the statutes is amended to read:

71.01 (6) (L) 4. For purposes of this paragraph, the provisions of federal public laws that directly or indirectly affect the Internal Revenue Code, as defined in this paragraph, apply for Wisconsin purposes at the same time as for federal purposes, except that changes made by P.L. [115-63](#) and sections 11026, 11027, 11028, 13207,

13306, 13307, 13308, 13311, 13312, 13501, 13705, 13821, and 13823 of P.L. [115-97](#) first apply for taxable years beginning after December 31, 2017.

SECTION 6. 71.01 (6) (m) of the statutes is created to read:

71.01 (6) (m) 1. For taxable years beginning after December 31, 2018, for individuals and fiduciaries, except fiduciaries of nuclear decommissioning trust or reserve funds, “Internal Revenue Code” means the federal Internal Revenue Code as amended to December 31, 2018, except as provided in subds. 2. and 3. and s. 71.98 and subject to subd. 4.

2. For purposes of this paragraph, “Internal Revenue Code” does not include the following provisions of federal public laws for taxable years beginning after December 31, 2018: section 13113 of P.L. [103-66](#); sections 1, 3, 4, and 5 of P.L. [106-519](#); sections 101, 102, and 422 of P.L. [108-357](#); sections 1310 and 1351 of P.L. [109-58](#); section 11146 of P.L. [109-59](#); section 403 (q) of P.L. [109-135](#); section 513 of P.L. [109-222](#); sections 104 and 307 of P.L. [109-432](#); sections 8233 and 8235 of P.L. [110-28](#); section 11 (e) and (g) of P.L. [110-172](#); section 301 of P.L. [110-245](#); section 15351 of P.L. [110-246](#); section 302 of division A, section 401 of division B, and sections 312, 322, 502 (c), 707, and 801 of division C of P.L. [110-343](#); sections 1232, 1241, 1251, 1501, and 1502 of division B of P.L. [111-5](#); sections 211, 212, 213, 214, and 216 of P.L. [111-226](#); sections 2011 and 2122 of P.L. [111-240](#); sections 753, 754, and 760 of P.L. [111-312](#); section 1106 of P.L. [112-95](#); sections 104, 318, 322, 323, 324, 326, 327, and 411 of P.L. [112-240](#); P.L. [114-7](#); section 1101 of P.L. [114-74](#); section 305 of division P of P.L. [114-113](#); sections 123, 125 to 128, 143, 144, 151 to 153, 165 to 167, 169 to 171, 189, 191, 307, 326, and 411 of division Q of P.L. [114-113](#); sections 11011, 13201 (a) to (e) and (g), 13801, 14101, 14102, 14103, 14201, 14202, 14211, 14212, 14213, 14214, 14215, 14221, 14222, 14301, 14302, 14304, and 14401 of P.L. [115-97](#); sections

40304, 40305, 40306, and 40412 of P.L. [115-123](#); section 101 (c) of division T of P.L. [115-141](#); and sections 101 (d) and (e), 102, 201 to 207, 301, 302, and 401 (a) (47) and (195), (b) (13), (17), (22) and (30), and (d) (1) (D) (v), (vi), and (xiii) and (xvii) (II) of division U of P.L. [115-141](#).

3. For purposes of this paragraph, “Internal Revenue Code” does not include amendments to the federal Internal Revenue Code enacted after December 31, 2018.

4. For purposes of this paragraph, the provisions of federal public laws that directly or indirectly affect the Internal Revenue Code, as defined in this paragraph, apply for Wisconsin purposes at the same time as for federal purposes, except that changes made by sections 11012, 13221, 13301, 13304 (a) and (b), 13531, and 13601 of P.L. [115-97](#), 20101, 20102, 20104, 20201, 40201, 40202, 40203, 40308, 40309, 40311, 40414, 41101, 41107, 41115, and 41116 of PL. [115-123](#) and section 101 (a), (b), and (h) of division U of P.L. [115-141](#) apply for taxable years beginning after December 31, 2018.

SECTION 7. 71.01 (7g) of the statutes is created to read:

71.01 (7g) For purposes of sub. (6) (b), 2013 stats., “Internal Revenue Code” includes section 109 of division U of P.L. [115-141](#).

SECTION 8. 71.22 (4) (c) of the statutes is repealed.

SECTION 9. 71.22 (4) (j) 3. m. of the statutes is created to read:

71.22 (4) (j) 3. m. Sections 101 (m), (n), (o), (p), and (q) and 104 (a) of division U of P.L. [115-141](#).

SECTION 10. 71.22 (4) (k) 3. of the statutes is amended to read:

71.22 (4) (k) 3. For purposes of this paragraph, “Internal Revenue Code” does not include amendments to the federal Internal Revenue Code enacted after

December 31, 2016, except that “Internal Revenue Code” includes sections 11024, 11025, and 13543 of P.L. [115-97](#) and sections 40307 and 40413 of P.L. [115-123](#).

SECTION 11. 71.22 (4) (L) 1. of the statutes is amended to read:

71.22 (4) (L) 1. For taxable years beginning after December 31, 2017, and before January 1, 2019, “Internal Revenue Code” means the federal Internal Revenue Code as amended to December 31, 2017, except as provided in subds. 2. and 3. and subject to subd. 4., and except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34 (1g), 71.42 (2), and 71.98.

SECTION 12. 71.22 (4) (L) 4. of the statutes is amended to read:

71.22 (4) (L) 4. For purposes of this paragraph, the provisions of federal public laws that directly or indirectly affect the Internal Revenue Code, as defined in this paragraph, apply for Wisconsin purposes at the same time as for federal purposes, except that changes made by P.L. [115-63](#) and sections 11026, 11027, 11028, 13207, 13306, 13307, 13308, 13311, 13312, 13501, 13705, 13821, and 13823 of P.L. [115-97](#) first apply for taxable years beginning after December 31, 2017.

SECTION 13. 71.22 (4) (m) of the statutes is created to read:

71.22 (4) (m) 1. For taxable years beginning after December 31, 2018, “Internal Revenue Code” means the federal Internal Revenue Code as amended to December 31, 2018, except as provided in subds. 2. and 3. and subject to subd. 4., and except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34 (1g), 71.42 (2), and 71.98.

2. For purposes of this paragraph, “Internal Revenue Code” does not include the following provisions of federal public laws for taxable years beginning after December 31, 2018: section 13113 of P.L. [103-66](#); sections 1, 3, 4, and 5 of P.L. [106-519](#); sections 101, 102, and 422 of P.L. [108-357](#); sections 1310 and 1351 of P.L. [109-58](#); section 11146 of P.L. [109-59](#); section 403 (q) of P.L. [109-135](#); section 513 of

P.L. [109-222](#); sections 104 and 307 of P.L. [109-432](#); sections 8233 and 8235 of P.L. [110-28](#); section 11 (e) and (g) of P.L. [110-172](#); section 301 of P.L. [110-245](#); section 15351 of P.L. [110-246](#); section 302 of division A, section 401 of division B, and sections 312, 322, 502 (c), 707, and 801 of division C of P.L. [110-343](#); sections 1232, 1241, 1251, 1501, and 1502 of division B of P.L. [111-5](#); sections 211, 212, 213, 214, and 216 of P.L. [111-226](#); sections 2011 and 2122 of P.L. [111-240](#); sections 753, 754, and 760 of P.L. [111-312](#); section 1106 of P.L. [112-95](#); sections 104, 318, 322, 323, 324, 326, 327, and 411 of P.L. [112-240](#); P.L. [114-7](#); section 1101 of P.L. [114-74](#); section 305 of division P of P.L. [114-113](#); sections 123, 125 to 128, 143, 144, 151 to 153, 165 to 167, 169 to 171, 189, 191, 307, 326, and 411 of division Q of P.L. [114-113](#); sections 11011, 13201 (a) to (e) and (g), 13801, 14101, 14102, 14103, 14201, 14202, 14211, 14212, 14213, 14214, 14215, 14221, 14222, 14301, 14302, 14304, and 14401 of P.L. [115-97](#); sections 40304, 40305, 40306, and 40412 of P.L. [115-123](#); section 101 (c) of division T of P.L. [115-141](#); and sections 101 (d) and (e), 102, 201 to 207, 301, 302, and 401 (a) (47) and (195), (b) (13), (17), (22) and (30), and (d) (1) (D) (v), (vi), and (xiii) and (xvii) (II) of division U of P.L. [115-141](#).

3. For purposes of this paragraph, “Internal Revenue Code” does not include amendments to the federal Internal Revenue Code enacted after December 31, 2018.

4. For purposes of this paragraph, the provisions of federal public laws that directly or indirectly affect the Internal Revenue Code, as defined in this paragraph, apply for Wisconsin purposes at the same time as for federal purposes, except that changes made by sections 11012, 13221, 13301, 13304 (a) and (b), 13531, and 13601 of P.L. [115-97](#), 20101, 20102, 20104, 20201, 40201, 40202, 40203, 40308, 40309, 40311, 40414, 41101, 41107, 41115, and 41116 of PL. [115-123](#) and section 101 (a), (b),

and (h) of division U of P.L. [115-141](#) apply for taxable years beginning after December 31, 2018.

SECTION 14. 71.22 (4m) (c) of the statutes is repealed.

SECTION 15. 71.22 (4m) (j) 3. m. of the statutes is created to read:

71.22 (4m) (j) 3. m. Sections 101 (m), (n), (o), (p), and (q) and 104 (a) of division U of P.L. [115-141](#).

SECTION 16. 71.22 (4m) (k) 3. of the statutes is amended to read:

71.22 (4m) (k) 3. For purposes of this paragraph, “Internal Revenue Code” does not include amendments to the federal Internal Revenue Code enacted after December 31, 2016, except that “Internal Revenue Code” includes sections 11024, 11025, and 13543 of P.L. [115-97](#) and sections 40307 and 40413 of P.L. [115-123](#).

SECTION 17. 71.22 (4m) (L) 1. of the statutes is amended to read:

71.22 (4m) (L) 1. For taxable years beginning after December 31, 2017, and before January 1, 2019, “Internal Revenue Code”, for corporations that are subject to a tax on unrelated business income under s. 71.26 (1) (a), means the federal Internal Revenue Code as amended to December 31, 2017, except as provided in subds. 2. and 3. and s. 71.98 and subject to subd. 4.

SECTION 18. 71.22 (4m) (L) 4. of the statutes is amended to read:

71.22 (4m) (L) 4. For purposes of this paragraph, the provisions of federal public laws that directly or indirectly affect the Internal Revenue Code, as defined in this paragraph, apply for Wisconsin purposes at the same time as for federal purposes, except that changes made by P.L. [115-63](#) and sections 11026, 11027, 11028, 13207, 13306, 13307, 13308, 13311, 13312, 13501, 13705, 13821, and 13823 of P.L. [115-97](#) first apply for taxable years beginning after December 31, 2017.

SECTION 19. 71.22 (4m) (m) of the statutes is created to read:

71.22 (4m) (m) 1. For taxable years beginning after December 31, 2018, “Internal Revenue Code,” for corporations that are subject to a tax on unrelated business income under s. 71.26 (1) (a), means the federal Internal Revenue Code as amended to December 31, 2018, except as provided in subds. 2. and 3. and s. 71.98 and subject to subd. 4.

2. For purposes of this paragraph, “Internal Revenue Code” does not include the following provisions of federal public laws for taxable years beginning after December 31, 2018: section 13113 of P.L. 103-66; sections 1, 3, 4, and 5 of P.L. 106-519; sections 101, 102, and 422 of P.L. 108-357; sections 1310 and 1351 of P.L. 109-58; section 11146 of P.L. 109-59; section 403 (q) of P.L. 109-135; section 513 of P.L. 109-222; sections 104 and 307 of P.L. 109-432; sections 8233 and 8235 of P.L. 110-28; section 11 (e) and (g) of P.L. 110-172; section 301 of P.L. 110-245; section 15351 of P.L. 110-246; section 302 of division A, section 401 of division B, and sections 312, 322, 502 (c), 707, and 801 of division C of P.L. 110-343; sections 1232, 1241, 1251, 1501, and 1502 of division B of P.L. 111-5; sections 211, 212, 213, 214, and 216 of P.L. 111-226; sections 2011 and 2122 of P.L. 111-240; sections 753, 754, and 760 of P.L. 111-312; section 1106 of P.L. 112-95; sections 104, 318, 322, 323, 324, 326, 327, and 411 of P.L. 112-240; P.L. 114-7; section 1101 of P.L. 114-74; section 305 of division P of P.L. 114-113; sections 123, 125 to 128, 143, 144, 151 to 153, 165 to 167, 169 to 171, 189, 191, 307, 326, and 411 of division Q of P.L. 114-113; sections 11011, 13201 (a) to (e) and (g), 13801, 14101, 14102, 14103, 14201, 14202, 14211, 14212, 14213, 14214, 14215, 14221, 14222, 14301, 14302, 14304, and 14401 of P.L. 115-97; sections 40304, 40305, 40306, and 40412 of P.L. 115-123; section 101 (c) of division T of P.L. 115-141; and sections 101 (d) and (e), 102, 201 to 207, 301, 302, and 401 (a) (47) and

(195), (b) (13), (17), (22) and (30), and (d) (1) (D) (v), (vi), and (xiii) and (xvii) (II) of division U of P.L. [115-141](#).

3. For purposes of this paragraph, “Internal Revenue Code” does not include amendments to the federal Internal Revenue Code enacted after December 31, 2018.

4. For purposes of this paragraph, the provisions of federal public laws that directly or indirectly affect the Internal Revenue Code, as defined in this paragraph, apply for Wisconsin purposes at the same time as for federal purposes, except that changes made by sections 11012, 13221, 13301, 13304 (a) and (b), 13531, and 13601 of P.L. [115-97](#), 20101, 20102, 20104, 20201, 40201, 40202, 40203, 40308, 40309, 40311, 40414, 41101, 41107, 41115, and 41116 of PL. [115-123](#) and section 101 (a), (b), and (h) of division U of P.L. [115-141](#) apply for taxable years beginning after December 31, 2018.

SECTION 20. 71.22 (5g) of the statutes is created to read:

71.22 (5g) For purposes of subs. (4) (b) and (4m) (b), 2013 stats., “Internal Revenue Code” includes section 109 of division U of P.L. [115-141](#).

SECTION 21. 71.26 (2) (b) 3. of the statutes is repealed.

SECTION 22. 71.26 (2) (b) 10. d. of the statutes is amended to read:

71.26 (2) (b) 10. d. For purposes of subd. 10. a., “Internal Revenue Code” does not include amendments to the federal Internal Revenue Code enacted after December 31, 2013, except that “Internal Revenue Code” includes the provisions of P.L. [113-97](#), P.L. [113-159](#), P.L. [113-168](#), section 302901 of P.L. [113-287](#), sections 171, 172, and 201 to 221 of P.L. [113-295](#), sections 102, 105, and 207 of division B of P.L. [113-295](#), P.L. [114-14](#), P.L. [114-26](#), section 2004 of P.L. [114-41](#), sections 503 and 504 of P.L. [114-74](#), sections 103, 104, 124, 168, 184, 185, 190, 204, 303, 306, 336, and 341

of division Q of P.L. [114-113](#), and P.L. [114-239](#), and sections 101 (m), (n), (o), (p), and (q) and 104 (a) of division U of P.L. [115-141](#).

SECTION 23. 71.26 (2) (b) 11. d. of the statutes is amended to read:

71.26 (2) (b) 11. d. For purposes of subd. 11. a., “Internal Revenue Code” does not include amendments to the federal Internal Revenue Code enacted after December 31, 2016, except that “Internal Revenue Code” includes sections 11024, 11025, and 13543 of P.L. [115-97](#) and sections 40307 and 40413 of P.L. [115-123](#).

SECTION 24. 71.26 (2) (b) 12. a. of the statutes is amended to read:

71.26 (2) (b) 12. a. For taxable years beginning after December 31, 2017, and before January 1, 2019, for a corporation, conduit, or common law trust which qualifies as a regulated investment company, real estate mortgage investment conduit, real estate investment trust, or financial asset securitization investment trust under the Internal Revenue Code, “net income” means the federal regulated investment company taxable income, federal real estate mortgage investment conduit taxable income, federal real estate investment trust or financial asset securitization investment trust taxable income of the corporation, conduit, or trust as determined under the Internal Revenue Code.

SECTION 25. 71.26 (2) (b) 12. e. of the statutes is amended to read:

71.26 (2) (b) 12. e. For purposes of subd. 12. a., the provisions of federal public laws that directly or indirectly affect the Internal Revenue Code, as defined in this subdivision, apply for Wisconsin purposes at the same time as for federal purposes, except that changes made by P.L. [115-63](#) and sections 11026, 11027, 11028, 13207, 13306, 13307, 13308, 13311, 13312, 13501, 13705, 13821, and 13823 of P.L. [115-97](#) first apply for taxable years beginning after December 31, 2017.

SECTION 26. 71.26 (2) (b) 13. of the statutes is created to read:

71.26 (2) (b) 13. a. For taxable years beginning after December 31, 2018, for a corporation, conduit, or common law trust which qualifies as a regulated investment company, real estate mortgage investment conduit, real estate investment trust, or financial asset securitization investment trust under the Internal Revenue Code, “net income” means the federal regulated investment company taxable income, federal real estate mortgage investment conduit taxable income, federal real estate investment trust or financial asset securitization investment trust taxable income of the corporation, conduit, or trust as determined under the Internal Revenue Code.

b. For purposes of subd. 13. a., “Internal Revenue Code” means the federal Internal Revenue Code as amended to December 31, 2018, except as provided in subd. 13. c. and d. and s. 71.98 and subject to subd. 13. e.

c. For purposes of subd. 13. a., “Internal Revenue Code” does not include the following provisions of federal public laws for taxable years beginning after December 31, 2018: section 13113 of P.L. [103-66](#); sections 1, 3, 4, and 5 of P.L. [106-519](#); sections 101, 102, and 422 of P.L. [108-357](#); sections 1310 and 1351 of P.L. [109-58](#); section 11146 of P.L. [109-59](#); section 403 (q) of P.L. [109-135](#); section 513 of P.L. [109-222](#); sections 104 and 307 of P.L. [109-432](#); sections 8233 and 8235 of P.L. [110-28](#); section 11 (e) and (g) of P.L. [110-172](#); section 301 of P.L. [110-245](#); section 15351 of P.L. [110-246](#); section 302 of division A, section 401 of division B, and sections 312, 322, 502 (c), 707, and 801 of division C of P.L. [110-343](#); sections 1232, 1241, 1251, 1501, and 1502 of division B of P.L. [111-5](#); sections 211, 212, 213, 214, and 216 of P.L. [111-226](#); sections 2011 and 2122 of P.L. [111-240](#); sections 753, 754, and 760 of P.L. [111-312](#); section 1106 of P.L. [112-95](#); sections 104, 318, 322, 323, 324, 326, 327, and 411 of P.L. [112-240](#); P.L. [114-7](#); section 1101 of P.L. [114-74](#); section 305 of division P of P.L. [114-113](#); sections 123, 125 to 128, 143, 144, 151 to 153, 165 to 167, 169 to

171, 189, 191, 307, 326, and 411 of division Q of P.L. [114-113](#); sections 11011, 13201 (a) to (e) and (g), 13801, 14101, 14102, 14103, 14201, 14202, 14211, 14212, 14213, 14214, 14215, 14221, 14222, 14301, 14302, 14304, and 14401 of P.L. [115-97](#); sections 40304, 40305, 40306, and 40412 of P.L. [115-123](#); section 101 (c) of division T of P.L. [115-141](#); and sections 101 (d) and (e), 102, 201 to 207, 301, 302, and 401 (a) (47) and (195), (b) (13), (17), (22) and (30), and (d) (1) (D) (v), (vi), and (xiii) and (xvii) (II) of division U of P.L. [115-141](#).

d. For purposes of subd. 13. a., “Internal Revenue Code” does not include amendments to the federal Internal Revenue Code enacted after December 31, 2018.

e. For purposes of subd. 13. a., the provisions of federal public laws that directly or indirectly affect the Internal Revenue Code, as defined in this subdivision, apply for Wisconsin purposes at the same time as for federal purposes, except that changes made by sections 11012, 13221, 13301, 13304 (a) and (b), 13531, and 13601 of P.L. [115-97](#), 20101, 20102, 20104, 20201, 40201, 40202, 40203, 40308, 40309, 40311, 40414, 41101, 41107, 41115, and 41116 of PL. [115-123](#) and section 101 (a), (b), and (h) of division U of P.L. [115-141](#) apply for taxable years beginning after December 31, 2018.

SECTION 27. 71.26 (2) (b) 14. of the statutes is created to read:

71.26 (2) (b) 14. For purposes of par. (b) 2., 2013 stats., “Internal Revenue Code” includes section 109 of division U of P.L. [115-141](#).

SECTION 28. 71.34 (1g) (c) of the statutes is repealed.

SECTION 29. 71.34 (1g) (j) 3. m. of the statutes is created to read:

71.34 (1g) (j) 3. m. Sections 101 (m), (n), (o), (p), and (q) and 104 (a) of division U of P.L. [115-141](#).

SECTION 30. 71.34 (1g) (k) 3. of the statutes is amended to read:

71.34 (1g) (k) 3. For purposes of this paragraph, “Internal Revenue Code” does not include amendments to the federal Internal Revenue Code enacted after December 31, 2016, except that “Internal Revenue Code” includes sections 11024, 11025, and 13543 of P.L. [115-97](#) and sections 40307 and 40413 of P.L. [115-123](#).

SECTION 31. 71.34 (1g) (L) 1. of the statutes is amended to read:

71.34 (1g) (L) 1. For taxable years beginning after December 31, 2017, and before January 1, 2019, for tax option corporations, “Internal Revenue Code” means the federal Internal Revenue Code as amended to December 31, 2017, except as provided in subds. 2., 3., and 5. and s. 71.98 and subject to subd. 4.

SECTION 32. 71.34 (1g) (L) 4. of the statutes is amended to read:

71.34 (1g) (L) 4. For purposes of this paragraph, the provisions of federal public laws that directly or indirectly affect the Internal Revenue Code, as defined in this paragraph, apply for Wisconsin purposes at the same time as for federal purposes, except that changes made by P.L. [115-63](#) and sections 11026, 11027, 11028, 13207, 13306, 13307, 13308, 13311, 13312, 13501, 13705, 13821, and 13823 of P.L. [115-97](#) first apply for taxable years beginning after December 31, 2017.

SECTION 33. 71.34 (1g) (m) of the statutes is created to read:

71.34 (1g) (m) 1. For taxable years beginning after December 31, 2018, for tax option corporations, “Internal Revenue Code” means the federal Internal Revenue Code as amended to December 31, 2018, except as provided in subds. 2., 3., and 5. and s. 71.98 and subject to subd. 4.

2. For purposes of this paragraph, “Internal Revenue Code” does not include the following provisions of federal public laws for taxable years beginning after December 31, 2018: section 13113 of P.L. [103-66](#); sections 1, 3, 4, and 5 of P.L. [106-519](#); sections 101, 102, and 422 of P.L. [108-357](#); sections 1310 and 1351 of P.L.

109-58; section 11146 of P.L. 109-59; section 403 (q) of P.L. 109-135; section 513 of P.L. 109-222; sections 104 and 307 of P.L. 109-432; sections 8233 and 8235 of P.L. 110-28; section 11 (e) and (g) of P.L. 110-172; section 301 of P.L. 110-245; section 15351 of P.L. 110-246; section 302 of division A, section 401 of division B, and sections 312, 322, 502 (c), 707, and 801 of division C of P.L. 110-343; sections 1232, 1241, 1251, 1501, and 1502 of division B of P.L. 111-5; sections 211, 212, 213, 214, and 216 of P.L. 111-226; sections 2011 and 2122 of P.L. 111-240; sections 753, 754, and 760 of P.L. 111-312; section 1106 of P.L. 112-95; sections 104, 318, 322, 323, 324, 326, 327, and 411 of P.L. 112-240; P.L. 114-7; section 1101 of P.L. 114-74; section 305 of division P of P.L. 114-113; sections 123, 125 to 128, 143, 144, 151 to 153, 165 to 167, 169 to 171, 189, 191, 307, 326, and 411 of division Q of P.L. 114-113; sections 11011, 13201 (a) to (e) and (g), 13801, 14101, 14102, 14103, 14201, 14202, 14211, 14212, 14213, 14214, 14215, 14221, 14222, 14301, 14302, 14304, and 14401 of P.L. 115-97; sections 40304, 40305, 40306, and 40412 of P.L. 115-123; section 101 (c) of division T of P.L. 115-141; and sections 101 (d) and (e), 102, 201 to 207, 301, 302, and 401 (a) (47) and (195), (b) (13), (17), (22) and (30), and (d) (1) (D) (v), (vi), and (xiii) and (xvii) (II) of division U of P.L. 115-141.

3. For purposes of this paragraph, “Internal Revenue Code” does not include amendments to the federal Internal Revenue Code enacted after December 31, 2018.

4. For purposes of this paragraph, the provisions of federal public laws that directly or indirectly affect the Internal Revenue Code, as defined in this paragraph, apply for Wisconsin purposes at the same time as for federal purposes, except that changes made by sections 11012, 13221, 13301, 13304 (a) and (b), 13531, and 13601 of P.L. 115-97, 20101, 20102, 20104, 20201, 40201, 40202, 40203, 40308, 40309, 40311, 40414, 41101, 41107, 41115, and 41116 of PL. 115-123 and section 101 (a), (b),

and (h) of division U of P.L. [115-141](#) apply for taxable years beginning after December 31, 2018.

5. For purposes of this paragraph, section [1366](#) (f) of the Internal Revenue Code (relating to pass-through of items to shareholders) is modified by substituting the tax under s. 71.35 for the taxes under sections [1374](#) and [1375](#) of the Internal Revenue Code.

SECTION 34. 71.34 (1u) of the statutes is created to read:

71.34 **(1u)** For purposes of sub. (1g) (b), 2013 stats., “Internal Revenue Code” includes section 109 of division U of P.L. [115-141](#).

SECTION 35. 71.42 (2) (c) of the statutes is repealed.

SECTION 36. 71.42 (2) (j) 3. m. of the statutes is created to read:

71.42 **(2)** (j) 3. m. Sections 101 (m), (n), (o), (p), and (q) and 104 (a) of division U of P.L. [115-141](#).

SECTION 37. 71.42 (2) (k) 3. of the statutes is amended to read:

71.42 **(2)** (k) 3. For purposes of this paragraph, “Internal Revenue Code” does not include amendments to the federal Internal Revenue Code enacted after December 31, 2016, except that “Internal Revenue Code” includes sections 11024, 11025, and 13543 of P.L. [115-97](#) and sections 40307 and 40413 of P.L. [115-123](#).

SECTION 38. 71.42 (2) (L) 1. of the statutes is amended to read:

71.42 **(2)** (L) 1. For taxable years beginning after December 31, 2017, and before January 1, 2019, “Internal Revenue Code” means the federal Internal Revenue Code as amended to December 31, 2017, except as provided in subds. 2. to 4. and s. 71.98 and subject to subd. 5.

SECTION 39. 71.42 (2) (L) 5. of the statutes is amended to read:

71.42 (2) (L) 5. For purposes of this paragraph, the provisions of federal public laws that directly or indirectly affect the Internal Revenue Code, as defined in this paragraph, apply for Wisconsin purposes at the same time as for federal purposes, except that changes made by P.L. 115-63 and sections 11026, 11027, 11028, 13207, 13306, 13307, 13308, 13311, 13312, 13501, 13705, 13821, and 13823 of P.L. 115-97 first apply for taxable years beginning after December 31, 2017.

SECTION 40. 71.42 (2) (m) of the statutes is created to read:

71.42 (2) (m) 1. For taxable years beginning after December 31, 2018, “Internal Revenue Code” means the federal Internal Revenue Code as amended to December 31, 2018, except as provided in subds. 2. to 4. and s. 71.98 and subject to subd. 5.

2. For purposes of this paragraph, “Internal Revenue Code” does not include the following provisions of federal public laws for taxable years beginning after December 31, 2018: section 13113 of P.L. 103-66; sections 1, 3, 4, and 5 of P.L. 106-519; sections 101, 102, and 422 of P.L. 108-357; sections 1310 and 1351 of P.L. 109-58; section 11146 of P.L. 109-59; section 403 (q) of P.L. 109-135; section 513 of P.L. 109-222; sections 104 and 307 of P.L. 109-432; sections 8233 and 8235 of P.L. 110-28; section 11 (e) and (g) of P.L. 110-172; section 301 of P.L. 110-245; section 15351 of P.L. 110-246; section 302 of division A, section 401 of division B, and sections 312, 322, 502 (c), 707, and 801 of division C of P.L. 110-343; sections 1232, 1241, 1251, 1501, and 1502 of division B of P.L. 111-5; sections 211, 212, 213, 214, and 216 of P.L. 111-226; sections 2011 and 2122 of P.L. 111-240; sections 753, 754, and 760 of P.L. 111-312; section 1106 of P.L. 112-95; sections 104, 318, 322, 323, 324, 326, 327, and 411 of P.L. 112-240; P.L. 114-7; section 1101 of P.L. 114-74; section 305 of division P of P.L. 114-113; sections 123, 125 to 128, 143, 144, 151 to 153, 165 to 167, 169 to 171, 189, 191, 307, 326, and 411 of division Q of P.L. 114-113; sections 11011, 13201

(a) to (e) and (g), 13801, 14101, 14102, 14103, 14201, 14202, 14211, 14212, 14213, 14214, 14215, 14221, 14222, 14301, 14302, 14304, and 14401 of P.L. [115-97](#); sections 40304, 40305, 40306, and 40412 of P.L. [115-123](#); section 101 (c) of division T of P.L. [115-141](#); and sections 101 (d) and (e), 102, 201 to 207, 301, 302, and 401 (a) (47) and (195), (b) (13), (17), (22) and (30), and (d) (1) (D) (v), (vi), and (xiii) and (xvii) (II) of division U of P.L. [115-141](#).

3. For purposes of this paragraph, “Internal Revenue Code” does not include amendments to the federal Internal Revenue Code enacted after December 31, 2018.

4. For purposes of this paragraph, “Internal Revenue Code” does not include section 847 of the federal Internal Revenue Code.

5. For purposes of this paragraph, the provisions of federal public laws that directly or indirectly affect the Internal Revenue Code, as defined in this paragraph, apply for Wisconsin purposes at the same time as for federal purposes, except that changes made by sections 11012, 13221, 13301, 13304 (a) and (b), 13531, and 13601 of P.L. [115-97](#), 20101, 20102, 20104, 20201, 40201, 40202, 40203, 40308, 40309, 40311, 40414, 41101, 41107, 41115, and 41116 of PL. [115-123](#) and section 101 (a), (b), and (h) of division U of P.L. [115-141](#) apply for taxable years beginning after December 31, 2018.

SECTION 41. 71.42 (2p) of the statutes is created to read:

71.42 **(2p)** For purposes of sub. (2) (b), 2013 stats., “Internal Revenue Code” includes section 109 of division U of P.L. [115-141](#).

(END)