
Wisconsin Legislative Council

ACT MEMO



Prepared by: Scott Grosz, Principal Attorney

October 27, 2023

2023 Wisconsin Act 36
[2023 Assembly Bill 406]

Internal Revenue Code Update

2023 WISCONSIN ACT 36

2023 Wisconsin Act 36 updates state law references to the Internal Revenue Code (IRC) under the individual income and corporate income and franchise taxes to conform to most federal tax provisions adopted through federal legislation in 2021 and 2022.¹ These updates to state tax law apply retroactively, for taxable years beginning after 2022.

However, the act does not adopt the provision under the federal ARPA that creates an income tax exclusion for certain forgiven student loans, nor does it include certain provisions relating to tax treatment of health savings accounts (HSAs) and high-deductible health plans (HDHPs) contained in CAA22 and CAA23.²

In addition, the act adopts for state tax purposes Section 1202 of the IRC related to excluding the sale of qualified small business stock from taxable income, retroactive to tax year 2019, and including any future changes to that provision.

Effective date: October 27, 2023

For a full history of the bill, visit the Legislature's [bill history page](#).

SG:jal

¹ Federal enactments modifying the IRC during 2021 and 2022 include the American Rescue Plan Act of 2021 (ARPA), the Paycheck Protection Program Extension Act of 2021, the Surface Transportation Extension Act of 2021, the Further Surface Transportation Extension Act of 2021, the Infrastructure Investment and Jobs Act, the Consolidated Appropriations Act of 2022 (CAA22), the Supreme Court Security Funding Act of 2022, the Inflation Reduction Act of 2022, and the Consolidated Appropriations Act of 2023 (CAA23).

² Regarding federalization of tax treatment relating to HSAs and HDHPs, see 2023 Wisconsin Act 36.