



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-4601/1
EKL:amn

2019 BILL

1 **AN ACT** *to repeal* 71.05 (6) (a) 4., 71.05 (6) (a) 7., 71.05 (6) (a) 9., 71.05 (6) (a) 17.,
2 71.05 (6) (a) 21., 71.05 (6) (a) 22., 71.05 (6) (b) 13., 71.05 (6) (b) 14., 71.05 (6) (b)
3 17., 71.05 (6) (b) 18., 71.05 (6) (b) 20., 71.05 (6) (b) 36., 71.05 (6) (b) 37., 71.05
4 (6) (b) 39., 71.05 (6) (b) 40., 71.05 (6) (b) 41., 71.05 (6) (b) 44., 71.05 (6) (b) 47.,
5 71.05 (6) (b) 47m., 71.26 (2) (a) 10. and 71.85 (3); **to amend** 71.07 (5) (a) 15.; and
6 **to create** 71.05 (6) (a) 1. (title), 71.05 (6) (a) 2. (title), 71.05 (6) (a) 3. (title), 71.05
7 (6) (a) 5. (title), 71.05 (6) (a) 6. (title), 71.05 (6) (a) 8. (title), 71.05 (6) (a) 10. (title),
8 71.05 (6) (a) 12. (title), 71.05 (6) (a) 13. (title), 71.05 (6) (a) 14. (title), 71.05 (6)
9 (a) 15. (title), 71.05 (6) (a) 16. (title), 71.05 (6) (a) 18. (title), 71.05 (6) (a) 20.
10 (title), 71.05 (6) (a) 23. (title), 71.05 (6) (a) 24. (title), 71.05 (6) (a) 25. (title), 71.05
11 (6) (a) 26. (title), 71.05 (6) (a) 27. (title), 71.05 (6) (a) 28. (title), 71.05 (6) (a) 29.
12 (title), 71.05 (6) (b) 1. (title), 71.05 (6) (b) 2. (title), 71.05 (6) (b) 3. (title), 71.05
13 (6) (b) 3m. (title), 71.05 (6) (b) 4. (title), 71.05 (6) (b) 5. (title), 71.05 (6) (b) 6.
14 (title), 71.05 (6) (b) 8. (title), 71.05 (6) (b) 9. (title), 71.05 (6) (b) 9m. (title), 71.05

BILL

1 (6) (b) 10. (title), 71.05 (6) (b) 12. (title), 71.05 (6) (b) 19. (title), 71.05 (6) (b) 21.
 2 (title), 71.05 (6) (b) 22. (title), 71.05 (6) (b) 23. (title), 71.05 (6) (b) 25. (title), 71.05
 3 (6) (b) 26. (title), 71.05 (6) (b) 28. (title), 71.05 (6) (b) 29. (title), 71.05 (6) (b) 30.
 4 (title), 71.05 (6) (b) 31. (title), 71.05 (6) (b) 32. (title), 71.05 (6) (b) 32m. (title),
 5 71.05 (6) (b) 33. (title), 71.05 (6) (b) 34. (title), 71.05 (6) (b) 35. (title), 71.05 (6)
 6 (b) 38. (title), 71.05 (6) (b) 42. (title), 71.05 (6) (b) 43. (title), 71.05 (6) (b) 45.
 7 (title), 71.05 (6) (b) 46. (title), 71.05 (6) (b) 48. (title), 71.05 (6) (b) 48m. (title),
 8 71.05 (6) (b) 49. (title), 71.05 (6) (b) 50. (title), 71.05 (6) (b) 51. (title), 71.05 (6)
 9 (b) 52. (title) and 71.05 (6) (b) 53. (title) of the statutes; **relating to:** titles for
 10 tax additions and subtractions and deleting obsolete provisions (suggested as
 11 remedial legislation by the Department of Revenue).

Analysis by the Legislative Reference Bureau

This bill creates titles for the statutory provisions that allow taxpayers to make additions and subtractions for purposes of the individual income tax. The bill also repeals obsolete individual income tax additions and subtractions.

For further information, see the NOTES provided by the Law Revision Committee of the Joint Legislative Council.

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

LAW REVISION COMMITTEE PREFATORY NOTE: This bill is a remedial legislation proposal, requested by the Department of Revenue and introduced by the Law Revision Committee under s. 13.83 (1) (c) 4. and 5., stats. After careful consideration of the various provisions of the bill, the Law Revision Committee has determined that this bill makes minor substantive changes in the statutes, and that these changes are desirable as a matter of public policy.

12 **SECTION 1.** 71.05 (6) (a) 1. (title) of the statutes is created to read:
 13 71.05 (6) (a) 1. (title) 'Interest.'

NOTE: SECTIONS 1 to 3, 5, 6, 8, 10 to 15, 17, 18, and 21 to 27 create titles for subdivisions relating to additions for individual income tax.

14 **SECTION 2.** 71.05 (6) (a) 2. (title) of the statutes is created to read:

BILL

1 71.05 (6) (a) 2. (title) 'Losses.'

2 **SECTION 3.** 71.05 (6) (a) 3. (title) of the statutes is created to read:

3 71.05 (6) (a) 3. (title) 'Pre-1965 capital loss carry-over.'

4 **SECTION 4.** 71.05 (6) (a) 4. of the statutes is repealed.

NOTE: This SECTION repeals, from the list of additions for individual income tax, the amount of any lump sum distribution for employee benefit plans under the internal revenue code.

5 **SECTION 5.** 71.05 (6) (a) 5. (title) of the statutes is created to read:

6 71.05 (6) (a) 5. (title) 'Pre-1975 capital loss carry-over.'

7 **SECTION 6.** 71.05 (6) (a) 6. (title) of the statutes is created to read:

8 71.05 (6) (a) 6. (title) 'Pre-1979 accumulated earnings and profits.'

9 **SECTION 7.** 71.05 (6) (a) 7. of the statutes is repealed.

NOTE: This SECTION repeals, from the list of additions for individual income tax, any amount deducted under the internal revenue code for charitable contributions by individuals who do not itemize deductions.

10 **SECTION 8.** 71.05 (6) (a) 8. (title) of the statutes is created to read:

11 71.05 (6) (a) 8. (title) 'Nonresident entertainer.'

12 **SECTION 9.** 71.05 (6) (a) 9. of the statutes is repealed.

NOTE: This SECTION repeals, from the list of additions for individual income tax, any amount excluded from adjusted gross income for gain on the sale of property by a trust under the internal revenue code.

13 **SECTION 10.** 71.05 (6) (a) 10. (title) of the statutes is created to read:

14 71.05 (6) (a) 10. (title) 'Farm losses.'

15 **SECTION 11.** 71.05 (6) (a) 12. (title) of the statutes is created to read:

16 71.05 (6) (a) 12. (title) 'Early withdrawal of savings penalty.'

17 **SECTION 12.** 71.05 (6) (a) 13. (title) of the statutes is created to read:

18 71.05 (6) (a) 13. (title) 'Taxes of fiduciary.'

19 **SECTION 13.** 71.05 (6) (a) 14. (title) of the statutes is created to read:

20 71.05 (6) (a) 14. (title) 'Accumulated earnings and profits.'

BILL**SECTION 14**

1 **SECTION 14.** 71.05 (6) (a) 15. (title) of the statutes is created to read:

2 71.05 (6) (a) 15. (title) 'Credits of pass-through entities.'

3 **SECTION 15.** 71.05 (6) (a) 16. (title) of the statutes is created to read:

4 71.05 (6) (a) 16. (title) 'Marital property exchange.'

5 **SECTION 16.** 71.05 (6) (a) 17. of the statutes is repealed.

NOTE: This SECTION repeals, from the list of additions for individual income tax, the amount received for the farmland tax relief credit or farmland preservation credit, or both, that is not included in the federal adjusted gross income.

6 **SECTION 17.** 71.05 (6) (a) 18. (title) of the statutes is created to read:

7 71.05 (6) (a) 18. (title) 'Moving expense deduction.'

8 **SECTION 18.** 71.05 (6) (a) 20. (title) of the statutes is created to read:

9 71.05 (6) (a) 20. (title) 'Excess distribution.'

10 **SECTION 19.** 71.05 (6) (a) 21. of the statutes is repealed.

NOTE: SECTIONS 19 and 20 repeal statutes that are obsolete because they apply to taxable years that begin before January 1, 2009.

11 **SECTION 20.** 71.05 (6) (a) 22. of the statutes is repealed.

12 **SECTION 21.** 71.05 (6) (a) 23. (title) of the statutes is created to read:

13 71.05 (6) (a) 23. (title) 'Unlawful discrimination claim deduction.'

14 **SECTION 22.** 71.05 (6) (a) 24. (title) of the statutes is created to read:

15 71.05 (6) (a) 24. (title) 'Related entities.'

16 **SECTION 23.** 71.05 (6) (a) 25. (title) of the statutes is created to read:

17 71.05 (6) (a) 25. (title) 'Manufacturing and agriculture credit.'

18 **SECTION 24.** 71.05 (6) (a) 26. (title) of the statutes is created to read:

19 71.05 (6) (a) 26. (title) 'College savings account distributions.'

20 **SECTION 25.** 71.05 (6) (a) 27. (title) of the statutes is created to read:

21 71.05 (6) (a) 27. (title) 'ABLE account distributions.'

22 **SECTION 26.** 71.05 (6) (a) 28. (title) of the statutes is created to read:

BILL

1 71.05 (6) (a) 28. (title) 'ABLE account terminations.'

2 **SECTION 27.** 71.05 (6) (a) 29. (title) of the statutes is created to read:

3 71.05 (6) (a) 29. (title) 'Business moving expense deduction.'

4 **SECTION 28.** 71.05 (6) (b) 1. (title) of the statutes is created to read:

5 71.05 (6) (b) 1. (title) 'Tax-exempt interest.'

NOTE: SECTIONS 28 to 39, 44, 46 to 59, 62, 66, 67, 69, 70, and 73 to 79 create titles for subdivisions relating to subtractions for individual income tax.

6 **SECTION 29.** 71.05 (6) (b) 2. (title) of the statutes is created to read:

7 71.05 (6) (b) 2. (title) 'Nonallocated and nonapportioned income.'

8 **SECTION 30.** 71.05 (6) (b) 3. (title) of the statutes is created to read:

9 71.05 (6) (b) 3. (title) 'Other nontaxable income.'

10 **SECTION 31.** 71.05 (6) (b) 3m. (title) of the statutes is created to read:

11 71.05 (6) (b) 3m. (title) 'Manufacturing sales tax credit.'

12 **SECTION 32.** 71.05 (6) (b) 4. (title) of the statutes is created to read:

13 71.05 (6) (b) 4. (title) 'Disability payments.'

14 **SECTION 33.** 71.05 (6) (b) 5. (title) of the statutes is created to read:

15 71.05 (6) (b) 5. (title) 'Recoveries of federal itemized deductions.'

16 **SECTION 34.** 71.05 (6) (b) 6. (title) of the statutes is created to read:

17 71.05 (6) (b) 6. (title) 'Small business stock.'

18 **SECTION 35.** 71.05 (6) (b) 8. (title) of the statutes is created to read:

19 71.05 (6) (b) 8. (title) 'Unemployment compensation.'

20 **SECTION 36.** 71.05 (6) (b) 9. (title) of the statutes is created to read:

21 71.05 (6) (b) 9. (title) 'Capital gain exclusion.'

22 **SECTION 37.** 71.05 (6) (b) 9m. (title) of the statutes is created to read:

23 71.05 (6) (b) 9m. (title) 'Farm assets capital gain exclusion.'

BILL**SECTION 38**

1 **SECTION 38.** 71.05 (6) (b) 10. (title) of the statutes is created to read:

2 71.05 (6) (b) 10. (title) 'Farm losses.'

3 **SECTION 39.** 71.05 (6) (b) 12. (title) of the statutes is created to read:

4 71.05 (6) (b) 12. (title) 'Marital property exchange.'

5 **SECTION 40.** 71.05 (6) (b) 13. of the statutes is repealed.

NOTE: SECTIONS 40 and 41 repeal, from the list of subtractions for individual income tax, amounts of income or compensation received for services performed for Operation Desert Shield or Operation Desert Storm. SECTION 82 deletes a statute that is obsolete after the repeal of the statutes in SECTIONS 40 and 41.

6 **SECTION 41.** 71.05 (6) (b) 14. of the statutes is repealed.

7 **SECTION 42.** 71.05 (6) (b) 17. of the statutes is repealed.

NOTE: This SECTION repeals a statute that is obsolete because it applies to taxable years that begin before January 1, 1994.

8 **SECTION 43.** 71.05 (6) (b) 18. of the statutes is repealed.

NOTE: This SECTION repeals a statute that is obsolete because it applies to taxable years that begin before January 1, 1995.

9 **SECTION 44.** 71.05 (6) (b) 19. (title) of the statutes is created to read:

10 71.05 (6) (b) 19. (title) 'Medical care insurance of self-employed.'

11 **SECTION 45.** 71.05 (6) (b) 20. of the statutes is repealed.

NOTE: This SECTION repeals a statute that is obsolete because it applies to taxable years that begin before January 1, 2006.

12 **SECTION 46.** 71.05 (6) (b) 21. (title) of the statutes is created to read:

13 71.05 (6) (b) 21. (title) 'Social security benefits.'

14 **SECTION 47.** 71.05 (6) (b) 22. (title) of the statutes is created to read:

15 71.05 (6) (b) 22. (title) 'Adoption fees.'

16 **SECTION 48.** 71.05 (6) (b) 23. (title) of the statutes is created to read:

17 71.05 (6) (b) 23. (title) 'Tuition unit.'

18 **SECTION 49.** 71.05 (6) (b) 25. (title) of the statutes is created to read:

19 71.05 (6) (b) 25. (title) 'Business assets and assets used in farming.'

BILL

1 **SECTION 50.** 71.05 (6) (b) 26. (title) of the statutes is created to read:

2 71.05 (6) (b) 26. (title) 'Long-term care insurance.'

3 **SECTION 51.** 71.05 (6) (b) 28. (title) of the statutes is created to read:

4 71.05 (6) (b) 28. (title) 'Tuition and fee expenses.'

5 **SECTION 52.** 71.05 (6) (b) 29. (title) of the statutes is created to read:

6 71.05 (6) (b) 29. (title) 'Repayment of income previously taxed.'

7 **SECTION 53.** 71.05 (6) (b) 30. (title) of the statutes is created to read:

8 71.05 (6) (b) 30. (title) 'Persecution settlements.'

9 **SECTION 54.** 71.05 (6) (b) 31. (title) of the statutes is created to read:

10 71.05 (6) (b) 31. (title) 'College savings account earnings.'

11 **SECTION 55.** 71.05 (6) (b) 32. (title) of the statutes is created to read:

12 71.05 (6) (b) 32. (title) 'College savings account contribution.'

13 **SECTION 56.** 71.05 (6) (b) 32m. (title) of the statutes is created to read:

14 71.05 (6) (b) 32m. (title) 'College savings account rollover contribution.'

15 **SECTION 57.** 71.05 (6) (b) 33. (title) of the statutes is created to read:

16 71.05 (6) (b) 33. (title) 'College tuition and expenses program contribution.'

17 **SECTION 58.** 71.05 (6) (b) 34. (title) of the statutes is created to read:

18 71.05 (6) (b) 34. (title) 'Basic, special, and incentive pay of reservists.'

19 **SECTION 59.** 71.05 (6) (b) 35. (title) of the statutes is created to read:

20 71.05 (6) (b) 35. (title) 'Medical care insurance; employer pays no amount.'

21 **SECTION 60.** 71.05 (6) (b) 36. of the statutes is repealed.

NOTE: This SECTION repeals a statute that is obsolete because it applies to taxable years that begin before January 1, 2008.

22 **SECTION 61.** 71.05 (6) (b) 37. of the statutes is repealed.

NOTE: This SECTION repeals a statute that is obsolete because it applies to taxable years that begin before January 1, 2011.

BILL**SECTION 62**

1 **SECTION 62.** 71.05 (6) (b) 38. (title) of the statutes is created to read:

2 71.05 (6) (b) 38. (title) 'Medical care insurance of unemployed.'

3 **SECTION 63.** 71.05 (6) (b) 39. of the statutes is repealed.

 NOTE: This SECTION repeals a statute that is obsolete because it applies to taxable years that begin before January 1, 2011.

4 **SECTION 64.** 71.05 (6) (b) 40. of the statutes is repealed.

 NOTE: This SECTION repeals a statute that is obsolete because it applies to taxable years that begin before January 1, 2012.

5 **SECTION 65.** 71.05 (6) (b) 41. of the statutes is repealed.

 NOTE: This SECTION repeals a statute that is obsolete because it applies to taxable years that begin before January 1, 2013.

6 **SECTION 66.** 71.05 (6) (b) 42. (title) of the statutes is created to read:

7 71.05 (6) (b) 42. (title) 'Medical care insurance; employer pays portion of cost.'

8 **SECTION 67.** 71.05 (6) (b) 43. (title) of the statutes is created to read:

9 71.05 (6) (b) 43. (title) 'Household and dependent care expenses.'

10 **SECTION 68.** 71.05 (6) (b) 44. of the statutes is repealed.

 NOTE: This SECTION repeals a statute that is obsolete because it applies to taxable years that end before January 1, 2015.

11 **SECTION 69.** 71.05 (6) (b) 45. (title) of the statutes is created to read:

12 71.05 (6) (b) 45. (title) 'Related entities.'

13 **SECTION 70.** 71.05 (6) (b) 46. (title) of the statutes is created to read:

14 71.05 (6) (b) 46. (title) 'Related entities unable to offset amount.'

15 **SECTION 71.** 71.05 (6) (b) 47. of the statutes is repealed.

 NOTE: This SECTION repeals a statute that is obsolete because it applies to taxable years that begin before January 1, 2014. SECTION 81 deletes a statute that is obsolete after the repeal of the statute in this SECTION.

16 **SECTION 72.** 71.05 (6) (b) 47m. of the statutes is repealed.

 NOTE: This SECTION repeals a statute that is obsolete because it does not apply to taxable years that begin after December 31, 2014.

17 **SECTION 73.** 71.05 (6) (b) 48. (title) of the statutes is created to read:

BILL

1 71.05 (6) (b) 48. (title) ‘Combat zone related death; basic, special, or incentive
2 pay.’

3 **SECTION 74.** 71.05 (6) (b) 48m. (title) of the statutes is created to read:

4 71.05 (6) (b) 48m. (title) ‘Combat zone related death; other income.’

5 **SECTION 75.** 71.05 (6) (b) 49. (title) of the statutes is created to read:

6 71.05 (6) (b) 49. (title) ‘Private school tuition.’

7 **SECTION 76.** 71.05 (6) (b) 50. (title) of the statutes is created to read:

8 71.05 (6) (b) 50. (title) ‘Federal and Wisconsin basis difference.’

9 **SECTION 77.** 71.05 (6) (b) 51. (title) of the statutes is created to read:

10 71.05 (6) (b) 51. (title) ‘Physician or psychiatrist grant.’

11 **SECTION 78.** 71.05 (6) (b) 52. (title) of the statutes is created to read:

12 71.05 (6) (b) 52. (title) ‘ABLE account contribution.’

13 **SECTION 79.** 71.05 (6) (b) 53. (title) of the statutes is created to read:

14 71.05 (6) (b) 53. (title) ‘Olympic, Paralympic, or Special Olympic medals and
15 payments.’

16 **SECTION 80.** 71.07 (5) (a) 15. of the statutes is amended to read:

17 71.07 (5) (a) 15. The amount claimed as a deduction for medical care insurance
18 under section 213 of the Internal Revenue Code that is exempt from taxation under
19 s. 71.05 (6) (b) ~~17. to 20. 19.~~, 35., ~~36., 37.,~~ 38., ~~39., 40., 41.,~~ and 42. and the amount
20 claimed as a deduction for a long-term care insurance policy under section 213 (d)
21 (1) (D) of the Internal Revenue Code, as defined in section 7702B (b) of the Internal
22 Revenue Code that is exempt from taxation under s. 71.05 (6) (b) 26.

NOTE: This SECTION deletes cross-references to statutes that are repealed by this
bill.

23 **SECTION 81.** 71.26 (2) (a) 10. of the statutes is repealed.

