



State of Wisconsin
2021 - 2022 LEGISLATURE

LRB-4869/P2
JK:cjs

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

1 **AN ACT** *to repeal* 71.07 (5e), 71.10 (4) (gy), 71.28 (5e), 71.30 (3) (es), 71.47 (5e),
2 71.49 (1) (es), 77.51 (5m) and 77.585 (9); and *to amend* 71.05 (6) (a) 15., 71.05
3 (6) (b) 47. b., 71.08 (1) (intro.), 71.21 (4) (a), 71.26 (2) (a) 4., 71.34 (1k) (g) and
4 71.45 (2) (a) 10. of the statutes; **relating to:** eliminating obsolete tax benefits
5 for the purchase of Internet equipment used in the broadband market
6 (suggested as remedial legislation by the Department of Revenue).

Analysis by the Legislative Reference Bureau

This bill eliminates obsolete tax deductions, credits, and exemptions for certain Internet equipment used in the broadband market and purchased before July 1, 2009.

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.

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

2 71.05 (6) (a) 15. Except as provided under s. 71.07 (3p) (c) 5., the amount of the
3 credits computed under s. 71.07 (2dm), (2dx), (2dy), (3g), (3h), (3n), (3q), (3s), (3t),
4 (3w), (3wm), (3y), (4k), (4n), ~~(5e)~~, (5i), (5j), (5k), (5r), (5rm), (6n), and (10) and not
5 passed through by a partnership, limited liability company, or tax-option
6 corporation that has added that amount to the partnership's, company's, or
7 tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g).

8 **SECTION 2.** 71.05 (6) (b) 47. b. of the statutes is amended to read:

9 71.05 (6) (b) 47. b. With respect to partners and members of limited liability
10 companies, for taxable years beginning after December 31, 2010, and before January
11 1, 2014, for 2 consecutive taxable years beginning with the taxable year in which the
12 partnership's or limited liability company's business locates to this state from
13 another state or another country and begins doing business in this state, as defined
14 in s. 71.22 (1r), and subject to the limitations provided under subd. 47. d., dm., and
15 e., the partner's or member's distributive share of taxable income as calculated under
16 section 703 of the Internal Revenue Code; plus the items of income and gain under
17 section 702 of the Internal Revenue Code, including taxable state and municipal
18 bond interest and excluding nontaxable interest income or dividend income from
19 federal government obligations; minus the items of loss and deduction under section
20 702 of the Internal Revenue Code, except items that are not deductible under s.
21 71.21; plus guaranteed payments to partners under section 707 (c) of the Internal
22 Revenue Code; plus the credits claimed under s. 71.07 (2dm), (2dx), (2dy), (3g), (3h),
23 (3n), (3q), (3s), (3t), (3w), ~~(5e)~~, (5g), (5i), (5j), (5k), (5r), and (5rm); and plus or minus,

1 as appropriate, transitional adjustments, depreciation differences, and basis
2 differences under s. 71.05 (13), (15), (16), (17), and (19), multiplied by the
3 apportionment fraction determined in s. 71.04 (4) and subject to s. 71.04 (7) or by
4 separate accounting. No amounts subtracted under this subd. 47. b. may be included
5 in the modification under par. (b) 9. or 9m.

6 **SECTION 3.** 71.07 (5e) of the statutes is repealed.

NOTE: This SECTION repeals an individual credit that does not apply for taxable
years that begin after December 31, 2013. SECTIONS 1, 2, and 5 to 7 repeal
cross-references to this credit.

7 **SECTION 4.** 71.08 (1) (intro.) of the statutes is amended to read:

8 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married
9 couple filing jointly, trust, or estate under s. 71.02, not considering the credits under
10 ss. 71.07 (1), (2dx), (2dy), (3m), (3n), (3q), (3s), (3t), (3w), (3wm), (3y), (4k), (5b), (5d),
11 ~~(5e)~~, (5i), (5j), (5n), (6), (6e), (8b), (9e), (9m), and (9r), 71.28 (1dx), (1dy), (2m), (3), (3n),
12 (3t), (3w), (3wm), and (3y), 71.47 (1dx), (1dy), (2m), (3), (3n), (3t), (3w), and (3y), 71.57
13 to 71.61, and 71.613 and subch. VIII and payments to other states under s. 71.07 (7),
14 is less than the tax under this section, there is imposed on that natural person,
15 married couple filing jointly, trust or estate, instead of the tax under s. 71.02, an
16 alternative minimum tax computed as follows:

17 **SECTION 5.** 71.10 (4) (gy) of the statutes is repealed.

18 **SECTION 6.** 71.21 (4) (a) of the statutes is amended to read:

19 71.21 (4) (a) The amount of the credits computed by a partnership under s.
20 71.07 (2dm), (2dx), (2dy), (3g), (3h), (3n), (3q), (3s), (3t), (3w), (3wm), (3y), (4k), (4n),
21 ~~(5e)~~, (5g), (5i), (5j), (5k), (5r), (5rm), (6n), and (10) and passed through to partners
22 shall be added to the partnership's income.

23 **SECTION 7.** 71.26 (2) (a) 4. of the statutes is amended to read:

1 71.26 **(2)** (a) 4. Plus the amount of the credit computed under s. 71.28 (1dm),
2 (1dx), (1dy), (3g), (3h), (3n), (3q), (3t), (3w), (3wm), (3y), ~~(5e)~~, (5g), (5i), (5j), (5k), (5r),
3 (5rm), (6n), (9s), and (10) and not passed through by a partnership, limited liability
4 company, or tax-option corporation that has added that amount to the partnership's,
5 limited liability company's, or tax-option corporation's income under s. 71.21 (4) or
6 71.34 (1k) (g).

7 **SECTION 8.** 71.28 (5e) of the statutes is repealed.

NOTE: This SECTION repeals a corporate credit that does not apply for taxable years that begin after December 31, 2013. SECTIONS 9 and 10 repeal cross-references to this credit.

8 **SECTION 9.** 71.30 (3) (es) of the statutes is repealed.

9 **SECTION 10.** 71.34 (1k) (g) of the statutes is amended to read:

10 71.34 **(1k)** (g) An addition shall be made for credits computed by a tax-option
11 corporation under s. 71.28 (1dm), (1dx), (1dy), (3), (3g), (3h), (3n), (3q), (3t), (3w),
12 (3wm), (3y), (4), (5), ~~(5e)~~, (5g), (5i), (5j), (5k), (5r), (5rm), (6n), and (10) and passed
13 through to shareholders.

14 **SECTION 11.** 71.45 (2) (a) 10. of the statutes is amended to read:

15 71.45 **(2)** (a) 10. By adding to federal taxable income the amount of credit
16 computed under s. 71.47 (1dm) to (1dy), (3g), (3h), (3n), (3q), (3w), (3y), ~~(5e)~~, (5g), (5i),
17 (5j), (5k), (5r), (5rm), (6n), (9s), and (10) and not passed through by a partnership,
18 limited liability company, or tax-option corporation that has added that amount to
19 the partnership's, limited liability company's, or tax-option corporation's income
20 under s. 71.21 (4) or 71.34 (1k) (g) and the amount of credit computed under s. 71.47
21 (1), (3), (3t), (4), (4m), and (5).

22 **SECTION 12.** 71.47 (5e) of the statutes is repealed.

