

No. 19, S.]

[Published May 16, 1949.

**CHAPTER 99.**

AN ACT to amend 71.10 (3) (e) and to create 71.10 (3m) of the statutes, relating to the filing of income tax returns.

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

SECTION 1. 71.10 (3) (e) of the statutes is amended to read:

71.10 (3) (e) Partners shall \* \* \* file \* \* \* *their* returns on the basis of a fiscal or calendar year which coincides with that upon which the partnership return is filed, *except when the department of taxation or assessor of incomes, for good cause shown, authorizes or directs filing on a different basis. Persons who are partners in more than one partnership shall file their returns on the basis of a fiscal or calendar year which coincides with that upon which the returns of one such partnership is filed, except that the department of taxation or assessor of incomes may direct filing on a different basis in such cases.*

SECTION 2. 71.10 (3m) of the statutes is created to read:

71.10 (3m) (a) Except as provided in section 71.10 (3) (e) a taxpayer may not change his basis of reporting from a calendar year to a fiscal year, from a fiscal year to a calendar year, or from one fiscal year to another without first obtaining the approval of the commissioner of taxation or the assessor of incomes.

(b) If a taxpayer, as required pursuant to section 71.10 (3) (e), or otherwise with the approval of the commissioner or the assessor of incomes, changes his basis of reporting from a calendar year to a fiscal year a separate return shall be made for the period between the close of the last calendar year and the date designated as the close of the fiscal year. If the change is from a fiscal year to a calendar year, a separate return shall be made for the period between the close of the last fiscal year and the following December 31. If the change is from one fiscal year to another fiscal year a separate return shall be made for the period between the close of the former fiscal year and the date designated as the close of the new fiscal year. In no case shall a separate income tax return be made for a period of more than 12 months.

(c) When a separate income tax return is made for a fractional part of a year the income shall be computed and reported on the basis of the period for which the separate return is made, and such fractional part of a year shall constitute an income year.

(d) If a separate income tax return is made for a short period under subsection (b) on account of a change in the income year, the net income for such short period shall be placed on an annual basis by multiplying the amount thereof by 12 and dividing by the number of months included in the period for which the separate return is made. The tax shall be such part of the tax computed on such annual basis (after deduction of any personal exemptions allowable under section 71.09) as the number of months in such short period is of 12 months. If the individual's exemption status changed during the short period the amount of the exemption shall be determined on a proportional basis.

Approved May 12, 1949.