

No. 623, S.]

[Published August 28, 1957.]

CHAPTER 612

AN ACT to amend 71.04 (4) of the statutes, relating to deductions of certain dividends from gross income of corporations.

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

71.04 (4) of the statutes is amended to read:

71.04 (4) Dividends, except stock dividends not taxable pursuant to s. 71.305, received from any corporation conforming to all of the requirements of this subsection. Such corporation must have filed income tax returns as required by law and the income of such corporation must be subject to the income tax law of this state. The principal business of the corporation must be attributable to Wisconsin and for the purpose of this subsection any corporation shall be considered as having its principal business attributable to Wisconsin *only* if 50 per cent or more of the entire net income or loss of such corporation after adjustment for tax purposes (for the year preceding the payment of such dividends) was used in computing the taxable income provided by ch. 71. If the net incomes of several affiliated corporations have been combined for the purpose of determining the amount of income subject to taxation under the statutes, the location of the principal business of such group shall determine the taxable status of dividends paid, but intercompany dividends passing between affiliated corporations whose incomes are included in the taxable income of the group shall not be assessed as group income.

Approved August 14, 1957.