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CHAPTER 17

AN ACT to amend 71.301 (3) (a), (b) and (c) 1; and to create 71.301 (4) (c) of the statutes, relating to tax relief for recipients of certain shares by reason of a court divestiture order.

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

SECTION 1. 71.301 (3) (a), (b) and (c) 1 of the statutes are amended to read:

71.301 (3) (a) That portion of the distribution which is a dividend (as defined in s. 71.316) shall be included in gross income, *except for a distribution of divested stock as defined in section 1111 of the internal revenue code of 1954 (P.L. 87-403, 2nd session).*

(b) That portion of the distribution which is not a dividend, *or is a distribution of divested stock to which par. (a) applies*, shall be applied against and reduce the basis of the stock.

(c) 1. Except as provided in subd. 2, that portion of the distribution which is not a dividend, *or is a distribution of divested stock to which this subsection applies*, to the extent that it exceeds the basis of the stock, shall be treated as gain from the sale or exchange of property.

SECTION 2. 71.301 (4) (c) of the statutes is created to read:

71.301 (4) (c) *Divested stock*. With respect to any property received in a distribution of divested stock as defined in section 1111 of the internal revenue code of 1954 (P.L. 87-403, 2nd session), the fair market value of such property as of the date of such distribution.

SECTION 3. This act shall be effective as to any distributions occurring on or after January 1, 1962.

Approved April 12, 1963.
