

1983 Senate Bill 663

Date of enactment: April 19, 1984
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1983 Wisconsin Act 212

AN ACT *to repeal* 71.01 (3) (a) 2 and 3, 71.01 (3) (c) 2 and 3, 71.04 (2) (b) 7, 71.04 (2) (b) 10, 71.05 (1) (a) 21, 71.05 (1) (a) 24, 84.51 (3m), 121.07 (7) (a) 1 and 2 and 895.60; *to renumber* 71.01 (3) (a) 1 and 71.01 (3) (c) 1; *to renumber and amend* 70.665 (intro.), (1) and (2), 70.665 (3) and 121.07 (7) (a) (intro.); *to amend* 20.003 (4), 20.866 (2) (uu), 71.01 (4) (a) 1, 71.01 (4) (f), 71.01 (4) (g) 7, 71.013, 71.014, 71.02 (1) (a) 8, 71.02 (2) (b) 9, 71.02 (2) (f), 71.04 (4) (b), 71.09 (6p) (intro.), 71.09 (7) (a) 6 and 8, 71.09 (7) (gr) (intro.), 71.09 (7) (h) 4, 71.09 (12c) (a) and (b) and (12t) (a) and (b), 71.60 (1) (c), 72.01 (17), 72.12 (4) (c) 1, 72.22 (4) (a), 76.38 (3a) and 84.59 (6); *to repeal and recreate* 20.005 (1); and *to create* 71.01 (4) (g) 8, 71.02 (1) (a) 9, 71.02 (2) (b) 10, 71.05 (1) (b) 8 to 10, 71.09 (7) (gs), 71.09 (7) (h) 5 and 71.09 (7) (grm) of the statutes, *relating to* the individual and corporate surtaxes, the homestead credit, the required general fund balance, reducing the bonding authority for highway projects, income tax exemptions, income and franchise tax deductions for intercorporate dividends and for insurers' loss carry-backs, property tax statements, the definition of the internal revenue code for purposes of the income, franchise, inheritance and minimum taxes, required health insurance coverage, income tax exemptions, utility taxes on telephone companies, decreasing the primary guaranteed valuation, providing penalties and making an appropriation.

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

SECTION 1. 20.003 (4) of the statutes is amended to read:

20.003 (4) **REQUIRED GENERAL FUND BALANCE.** Beginning with the 1983-85 fiscal biennium, no bill directly or indirectly affecting general purpose revenues as defined in s. 20.001 (2) (a) may be enacted by the legislature if the bill would cause the estimated general fund balance on June 30 for the fiscal biennium as projected under s. 20.005 (1) to be an amount equal to less than ~~0.5%~~ one percent of the total general purpose revenue appropriations for that fiscal biennium.

SECTION 2. 20.005 (1) of the statutes is repealed and recreated to read:

20.005 (1) **SUMMARY OF ALL FUNDS.** The budget governing fiscal operations for the state of Wisconsin for all funds from July 1, 1983, to June 30, 1985, is summarized as follows: [See Figure 20.005 (1) following]

Figure: 20.005 (1)

GENERAL FUND SUMMARY		
	1983-84	1984-85
REVENUES		
Opening Balance, July 1	\$ -182,126,200	\$ 279,559,400
Estimated Taxes	4,456,100,000	4,496,000,000
Estimated Departmental Revenues	41,538,700	33,946,200
Total Available	\$ 4,315,512,500	\$ 4,809,505,600
APPROPRIATIONS		
Gross Appropriations	\$ 4,052,265,000	\$ 4,564,960,600
Less Estimated Lapses	-37,942,500	-25,791,600
Compensation Reserves	21,630,600	49,562,200
Net Appropriations and Reserves	\$ 4,035,953,100	\$ 4,588,731,200
BALANCES		
Gross Balance	\$ 279,559,400	\$ 220,774,400
Less Required Statutory Balance	0	-86,172,300
Net Balance, June 30	\$ 279,559,400	\$ 134,602,100

SUMMARY OF APPROPRIATIONS - ALL FUNDS		
	1983-84	1984-85
General Purpose Revenue	\$ 4,052,265,000	\$ 4,564,960,600
Federal Revenue	(1,924,194,800)	(1,975,360,400)
Program	1,624,920,100	1,691,760,400
Segregated	299,274,700	283,600,000
Program Revenue	(866,009,400)	(906,308,700)
State	766,048,000	796,387,000
Service	99,961,400	109,921,700
Segregated Revenue	(802,016,900)	(847,706,600)
State	774,122,900	820,932,700
Local	20,652,900	19,210,000
Service	7,241,100	7,563,900
GRAND TOTAL	\$ 7,644,486,100	\$ 8,294,336,300

SECTION 3. 20.866 (2) (uu) of the statutes, as affected by 1983 Wisconsin Act 27, is amended to read:

20.866 (2) (uu) *Transportation; highway projects.* From the capital improvement fund, a sum sufficient for the department of transportation to acquire, construct, reconstruct, improve or develop highway projects under ss. 84.06, and 84.09 and 84.51 (3m). The state may contract public debt in an amount not to exceed ~~\$67,000,000~~ \$41,000,000 for this purpose.

SECTION 4. 70.665 (intro.), (1) and (2) of the statutes, as affected by 1983 Wisconsin Act 27, are renumbered 70.665 (1) (intro.), (a) and (b) and 70.665 (1) (b), as renumbered, is amended to read:

70.665 (1) (b) Show the assessed value of the property as it appears on the tax roll and the estimated fair market value of the property. The clerks shall also include with the tax bill an explanation as prescribed by the department of revenue of the procedure used to establish the estimated fair market value. For the purpose of this ~~subsection~~ paragraph,

the "estimated fair market value" of taxable property is the quotient of the assessed value of the property divided by the assessment ratio of all taxable property in the taxation district for the same year as determined by the department of revenue.

SECTION 5. 70.665 (3) of the statutes, as created by 1983 Wisconsin Act 27, is renumbered 70.665 (2) and amended to read:

70.665 (2) ~~Include~~ The real property tax bills prepared by the clerks of each taxation district shall include a notice provided prescribed by the department of revenue that the taxpayer may be eligible for the homestead credit.

SECTION 6. 71.01 (3) (a) 1 of the statutes, as affected by 1983 Wisconsin Act 27, is renumbered 71.01 (3) (a).

SECTION 7. 71.01 (3) (a) 2 and 3 of the statutes, as created by 1983 Wisconsin Act 27, are repealed.

SECTION 8. 71.01 (3) (c) 1 of the statutes, as affected by 1983 Wisconsin Act 27, is renumbered 71.01 (3) (c).

SECTION 9. 71.01 (3) (c) 2 and 3 of the statutes, as created by 1983 Wisconsin Act 27, are repealed.

SECTION 10. 71.01 (4) (a) 1 of the statutes is amended to read:

71.01 (4) (a) 1. By adding to federal taxable income the amount of any loss carry-forward ~~or carry-back~~, including any capital loss carry-forward ~~or carry-back~~, deducted in the calculation of federal taxable income;

SECTION 11. 71.01 (4) (f) of the statutes is amended to read:

71.01 (4) (f) Elections authorized by and made in accordance with the internal revenue code, except an election to file consolidated returns ~~or to claim a credit against federal tax liability rather than a deduction from income~~, shall be deemed elections for the purpose of applying this chapter.

SECTION 12. 71.01 (4) (g) 7 of the statutes, as created by 1983 Wisconsin Act 27, is amended to read:

71.01 (4) (g) 7. For taxable year 1983 ~~and subsequent years~~, "internal revenue code" means the federal internal revenue code as amended to December 31, 1982, except that "internal revenue code" does not include section 168 (f) (8) of the code (relating to a special rule for leases), except that in respect to computing the deduction for depreciation on property located outside this state and first placed in service by the taxpayer on or after January 1, 1983, "internal revenue code" means that code as amended to December 31, 1980, and except that "internal revenue code" includes changes to that code enacted by P.L. 97-424, P.L. 97-448, P.L. 97-473 and P.L. 98-4. For the purposes of this subdivision, s. 71.04 (15) (b), (d), (er), (f), (fn), (fo), (fp) and (fq) apply as appropriate.

SECTION 13. 71.01 (4) (g) 8 of the statutes is created to read:

71.01 (4) (g) 8. For taxable year 1984 and subsequent years, "internal revenue code" means the federal internal revenue code as amended to December 31, 1983, except that "internal revenue code" does not include section 168 (f) (8) of the code (relating to a special rule for leases) and except that in respect to computing the deduction for depreciation on property located outside this state and first placed in service by the taxpayer on or after January 1, 1983, "internal revenue code" means that code as amended to December 31, 1980. For the purposes of this subdivision, s. 71.04 (15) (b), (d), (er), (f), (fn), (fo), (fp) and (fq) apply as appropriate.

SECTION 14. 71.013 of the statutes, as affected by 1983 Wisconsin Act 27, is amended to read:

71.013 Corporate surtax. For taxable years 1982 ~~to 1984~~ and 1983, there is imposed and there shall be assessed, collected and paid, in addition to and in the same manner as all other income and franchise taxes imposed under this chapter, including those provi-

sions relating to refunds and overpayments, a surtax to be paid by every corporation equal to 10% of the corporation's income or franchise tax payable to this state. In this section, "income or franchise tax payable" of corporations means the tax as computed at the rates under s. 71.09 (2h) and (2n) without reduction for any payments or credits, including the fuel and electricity credit under s. 71.043, farmland preservation credit and declaration of estimated tax payments. Any declarations of estimated tax payments that would have been due under s. 71.22 before July 1, 1982, solely because of this surtax shall be prorated equally among, and paid with, any payments that are due on or after July 1, 1982, for the 1982 taxable year. Any penalty for underpayment of declaration of estimated taxes computed under s. 71.22 shall be computed on the basis that the surtax for the 1982 taxable year was required to be included only with instalment payments due on or after July 1, 1982. The surtax is part of the tax for purposes of determining any underpayment or declaring estimated taxes under s. 71.22.

SECTION 15. 71.014 of the statutes, as created by 1983 Wisconsin Act 27, is amended to read:

71.014 Individual surtax. For taxable ~~years~~ year 1983 ~~and 1984~~, there is imposed and there shall be assessed, collected and paid, in addition to and in the same manner as all other income taxes imposed under this chapter, including those provisions relating to refunds and overpayments, a surtax to be paid by every individual subject to tax under s. 71.01 (1) equal to 10% of that individual's income tax payable to this state. In this section, "income tax payable" means the tax computed at the rates and brackets under s. 71.09 (1b) as adjusted under s. 71.09 (2) plus any tax payable under s. 71.60. Any declarations of estimated tax payments that would have been due under s. 71.21 before July 1, 1983, solely because of this surtax shall be prorated equally among, and paid with, any payments that are due on or after July 1, 1983, for the 1983 taxable year. Any penalty for underpayment of declaration of estimated taxes computed under s. 71.21 shall be computed on the basis that the surtax for the 1983 taxable year was required to be included only with instalment payments due on or after July 1, 1983. The surtax is part of the tax for purposes of determining any underpayment or declaring estimated taxes under s. 71.21.

SECTION 16. 71.02 (1) (a) 8 of the statutes, as created by 1983 Wisconsin Act 27, is amended to read:

71.02 (1) (a) 8. For taxable year 1983 ~~and subsequent years~~, for a corporation or common law trust which qualifies as a regulated investment company or real estate investment trust under the internal revenue code as amended to December 31, 1982, "net income" means the federal regulated investment company taxable income or federal real estate investment trust taxable income of the corporation or trust as determined under the internal revenue code as amended to December 31, 1982, except that "internal revenue code" does not include section 168 (f) (8) of the code (relating to a special rule for leases), except that in respect to computing the deduction for depreciation on property located outside this state and first placed in service by the taxpayer on or after January 1, 1983, "internal revenue code" means that code as amended to December 31, 1980, and except that "internal revenue code" includes changes to that code enacted by P.L. 97-424, P.L. 97-448, P.L. 97-473 and P.L. 98-4. For the purposes of this subdivision, s. 71.04 (15) (b), (d), (er), (f), (fn), (fo), (fp) and (fq) apply as appropriate.

SECTION 17. 71.02 (1) (a) 9 of the statutes is created to read:

71.02 (1) (a) 9. For taxable year 1984 and subsequent years, for a corporation or common law trust which qualifies as a regulated investment company or real estate investment trust under the internal revenue code as amended to December 31, 1983, "net income" means the federal regulated investment company taxable income or federal real estate investment trust taxable income of the corporation or trust as determined under the internal revenue code as amended to December 31, 1983, except that "internal revenue code" does not include section 168 (f) (8) of the code (relating to a special rule for

leases) and except that in respect to computing the deduction for depreciation on property located outside this state and first placed in service by the taxpayer on or after January 1, 1983, "internal revenue code" means that code as amended to December 31, 1980. For the purposes of this subdivision, s. 71.04 (15) (b), (d), (er), (f), (fn), (fo), (fp) and (fq) apply as appropriate.

SECTION 18. 71.02 (2) (b) 9 of the statutes, as created by 1983 Wisconsin Act 27, is amended to read:

71.02 (2) (b) 9. For the taxable year 1983 ~~and thereafter~~, for natural persons, fiduciaries and tax-option corporations "internal revenue code" means the federal internal revenue code in effect on December 31, 1982, except that for taxable year 1983 it includes section 214 of the internal revenue code (relating to deduction of certain dependent care expenses) as it existed immediately prior to its repeal in 1976 by section 504 (b) (1) of P.L. 94-455 with the modification that the applicable work requirements are those under section 44A of the internal revenue code as amended to December 31, 1982, and except that for taxable year 1983 ~~and thereafter~~ it includes section 218 of the internal revenue code (relating to the deduction of political contributions) as it existed immediately prior to its repeal in 1978 by section 113 (a) of P.L. 95-600 and section 911 (c) of the internal revenue code (relating to the foreign earned income exclusion) as it existed on December 31, 1977, and it includes changes to the code enacted by P.L. 97-424, P.L. 97-448, P.L. 97-473 and P.L. 98-4; and it does not include the changes to the internal revenue code enacted by sections 111 and 113 (relating to U.S. citizens or residents working abroad) and section 251 (relating to incentive stock options) of P.L. 97-34. Except for changes enacted by P.L. 97-424, P.L. 97-448, P.L. 97-473 and P.L. 98-4, amendments to the internal revenue code enacted after December 31, 1982, do not apply to this subsection with respect to taxable year 1983 ~~and thereafter~~.

SECTION 19. 71.02 (2) (b) 10 of the statutes is created to read:

71.02 (2) (b) 10. For the taxable year 1984 and thereafter, for natural persons, fiduciaries and tax-option corporations "internal revenue code" means the federal internal revenue code in effect on December 31, 1983, except that it includes section 218 of the internal revenue code (relating to the deduction of political contributions) as it existed immediately prior to its repeal in 1978 by section 113 (a) of P.L. 95-600 and section 911 (c) of the internal revenue code (relating to the foreign earned income exclusion) as it existed on December 31, 1977, and it does not include the changes to the internal revenue code enacted by sections 111 and 113 (relating to U.S. citizens or residents working abroad) and section 251 (relating to incentive stock options) of P.L. 97-34. Amendments to the internal revenue code enacted after December 31, 1983, do not apply to this subsection with respect to taxable year 1984 and thereafter.

SECTION 20. 71.02 (2) (f) of the statutes is amended to read:

71.02 (2) (f) "Itemized deductions" means deductions from federal adjusted gross income allowable under the internal revenue code in determining federal taxable income, other than the federal standard deduction, low-income allowance and deductions for personal exemptions; but with respect to nonresident natural persons deriving income from property located, business transacted or personal or professional services performed in this state, including natural persons changing their domicile into or from this state in the calendar year 1972 or corresponding fiscal year or thereafter, "itemized deductions" are limited to such fraction of the amount so determined as Wisconsin adjusted gross income is of federal adjusted gross income, except that for married persons "itemized deductions" are limited to such fraction of the amount so determined as combined Wisconsin adjusted gross income is of combined or joint federal adjusted gross income. In addition, for taxable year 1979 and thereafter, "itemized deductions" excludes deductions for taxes allowable under section 164 of the internal revenue code and, for taxable year 1984 and thereafter, "itemized deductions" excludes deductions for re-

payments of social security benefits allowable under section 165 of the internal revenue code. In addition, "itemized deductions" includes contributions to the community development finance authority under s. 233.03, minus any credit received under s. 71.09 (12m).

SECTION 21. 71.04 (2) (b) 7 of the statutes, as created by 1983 Wisconsin Act 27, is repealed.

SECTION 22. 71.04 (2) (b) 10 of the statutes, as created by 1983 Wisconsin Act 27, is repealed.

SECTION 23. 71.04 (4) (b) of the statutes, as affected by 1983 Wisconsin Act 27, is amended to read:

71.04 (4) (b) For taxable year 1983 50%, and for taxable year 1984, 75%, of the amount of cash dividends received during the year from a corporation with respect to its common stock if the corporation receiving the dividends owned directly or indirectly during the entire income year at least 80% of the total combined voting stock of the payor corporation. For taxable year 1985 and thereafter, the cash dividends received during the year from a corporation with respect to its common stock if the corporation receiving the dividends owned directly or indirectly during the entire income year at least 80% of the total combined voting stock of the payor corporation.

SECTION 24. 71.05 (1) (a) 21 of the statutes, as created by 1983 Wisconsin Act 27, is repealed.

SECTION 25. 71.05 (1) (a) 24 of the statutes, as created by 1983 Wisconsin Act 27, is repealed.

SECTION 26. 71.05 (1) (b) 8 to 10 of the statutes are created to read:

71.05 (1) (b) 8. Disability payments to the extent those payments are excludable under section 105 (d) of the internal revenue code as it existed immediately prior to its repeal in 1983 by section 122 (b) of P.L. 98-21.

9. Any amount included under sections 72 (r) and 86 of the internal revenue code (relating to social security and railroad benefits), as created by P.L. 98-76 and P.L. 98-21, respectively.

10. Any amount included under section 105 (i) of the internal revenue code (relating to sick pay paid under the railroad retirement insurance act), as created by P.L. 98-76.

SECTION 27. 71.09 (6p) (intro.) of the statutes, as affected by 1983 Wisconsin Act 27, is amended to read:

71.09 (6p) (intro.) On income of the calendar year 1983 and corresponding fiscal years and thereafter, there may be deducted from the tax after it has been computed according to the rates of this section and, for taxable year 1983, according to the rates of s. 71.014, personal exemptions for natural persons as follows:

SECTION 28. 71.09 (7) (a) 6 and 8 of the statutes, as affected by 1983 Wisconsin Act 27, are amended to read:

71.09 (7) (a) 6. "Rent constituting property taxes accrued" means ~~20%~~ 25% of the gross rent actually paid in cash or its equivalent in 1964 or any subsequent calendar year by a claimant and his household solely for the right of occupancy of their Wisconsin homestead in such calendar year, and which rent constitutes the basis, in the succeeding calendar year of a claim for relief under this section by such claimant.

8. "Property taxes accrued" means property taxes, exclusive of special assessments, delinquent interest and charges for service, levied on a claimant's homestead in 1964 or any calendar year thereafter under ch. 70, less the tax credit, if any, afforded in respect of such property by s. 79.10 (3). If a homestead is owned by 2 or more persons or entities as joint tenants or tenants in common and one or more such persons or entities is not a member of claimant's household, "property taxes accrued" is that part of property taxes

levied on such homestead (reduced by the tax credit under s. 79.10 (3)) as reflects the ownership percentage of the claimant and the claimant's household. For purposes of this paragraph property taxes are "levied" when the tax roll is delivered to the local treasurer with the warrant for collection. If a homestead is sold during the calendar year of the levy the "property taxes accrued" for the seller and buyer shall be the amount of the tax levy prorated to each in the closing agreement pertaining to the sale of the homestead or, if not so provided for in the closing agreement, the tax levy shall be prorated between seller and buyer in proportion to months of their respective ownership, provided that the seller and buyer occupy the homestead during the periods of their respective ownership. If a household owns and occupies 2 or more homesteads in the same calendar year "property taxes accrued" shall be the sum of the prorated taxes attributable to the household for each of such homesteads. If the household owns and occupies the homestead for part of the calendar year and rents a homestead for part of the calendar year, it may include both the proration of taxes on the homestead owned and "rent constituting property taxes accrued" with respect to the months the homestead is rented, in computing the amount of the claim under pars. (gn) to ~~(gr)~~ (grm). If a homestead is an integral part of a multipurpose or multidwelling building, property taxes accrued are the percentage of the property taxes accrued on that part of the multipurpose or multidwelling building occupied by the household as a principal residence plus that same percentage of the property taxes accrued on as much of the land surrounding it, not exceeding one acre, that is reasonably necessary for use of the multipurpose or multidwelling building as a principal residence, except as the limitations of par. (h) apply. If the homestead is part of a farm, "property taxes accrued" are the property taxes accrued on up to ~~35~~ 120 acres of land contiguous to the claimant's principal residence and include the property taxes accrued on all improvements to real property located on such land, except as the limitations of par. (h) apply. For claims for 1967 and subsequent years, monthly parking permit fees collected under s. 66.058 (3) (c) shall be considered property taxes.

SECTION 29g. 71.09 (7) (gr) (intro.) of the statutes, as created by 1983 Wisconsin Act 27, is amended to read:

71.09 (7) (gr) (intro.) The amount of any claim filed in 1984 ~~or thereafter~~ and based on property taxes accrued or rent constituting property taxes accrued during the previous year is limited as follows:

SECTION 29m. 71.09 (7) (grm) of the statutes is created to read:

71.09 (7) (grm) The amount of any claim filed in 1985 or thereafter and based on property taxes accrued or rent constituting property taxes accrued during the previous year is limited as follows:

1. If the household income was \$7,400 or less in the year to which the claim relates, the claim is limited to 80% of the property taxes accrued or rent constituting property taxes accrued or both in that year on the claimant's homestead.

2. If the household income was more than \$7,400 in the year to which the claim relates, the claim is limited to 80% of the amount by which the property taxes accrued or rent constituting property taxes accrued or both in that year on the claimant's homestead exceeds 13.187% of the household income exceeding \$7,400.

3. No credit may be allowed if the household income of a claimant exceeds \$16,500.

SECTION 29r. 71.09 (7) (gs) of the statutes is created to read:

71.09 (7) (gs) 1. For claimants who filed a claim in 1984 based on property taxes accrued or rent constituting property taxes accrued in 1983, the amount of the claim determined under par. (gr) shall be increased by 25%.

2. For claims determined under par. (gr) which are paid or credited by the department on or before June 1, 1984, the additional amount of claim allowable under this paragraph shall be paid or credited by August 31, 1984. For claims determined under par.

(gr) which are paid or credited after June 1, 1984, the additional amount of claim allowable under this paragraph shall be paid or credited within 90 days after the date the claim allowable under par. (gr) was paid or credited.

3. If the additional amount of claim determined under this paragraph is more than \$0 but less than \$10, the amount of additional claim paid or credited shall be \$10.

4. Unless stated otherwise in this paragraph, any provision of the statutes which applies to a claim determined under par. (gr) applies in the same manner to any claim determined under this paragraph.

SECTION 30. 71.09 (7) (h) 4 of the statutes, as created by 1983 Wisconsin Act 27, is amended to read:

71.09 (7) (h) 4. In calendar year 1983, ~~or any subsequent calendar year,~~ \$1,100.

SECTION 30m. 71.09 (7) (h) 5 of the statutes is created to read:

71.09 (7) (h) 5. In calendar year 1984, or any subsequent calendar year, \$1,200.

SECTION 31. 71.09 (12c) (a) and (b) and (12t) (a) and (b) of the statutes, as created by 1983 Wisconsin Act 27, are amended to read:

71.09 (12c) (a) For taxable year 1984 and thereafter, any natural person may credit against income taxes otherwise due an amount equal to 30% of the federal dependent care credit, prior to the adjustments for federal tax credits and federal tax liability, for which the person is eligible for the taxable year under section 44A of the internal revenue code as amended to December 31, ~~1982~~ 1983.

(b) Married persons may divide the total amount of the credit under this subsection between them as they choose, if the total claimed by a husband and wife does not exceed an amount equal to 30% of the federal dependent care credit, prior to the adjustments for federal tax credits and federal tax liability, for which the couple is eligible for the taxable year under section 44A of the internal revenue code as amended to December 31, ~~1982~~ 1983. The joint return requirement under section 44A (f) (2) of the internal revenue code does not apply to the credit under this subsection.

(12t) (a) For taxable year 1984 and thereafter, any natural person may credit against income taxes otherwise due an amount equal to 30% of the federal earned income credit for which the person is eligible for the taxable year under section 43 of the internal revenue code as amended to December 31, ~~1982~~ 1983.

(b) Married persons may divide the total amount of the credit under this subsection between them as they choose, if the aggregate claimed by a husband and wife does not exceed an amount equal to 30% of the federal earned income credit for which the couple is eligible for the taxable year under section 43 of the internal revenue code as amended to December 31, ~~1982~~ 1983. The joint return requirement under section 43 (d) of the internal revenue code does not apply to the credit under this subsection.

SECTION 32. 71.60 (1) (c) of the statutes, as affected by 1983 Wisconsin Act 27, is amended to read:

71.60 (1) (c) ~~“Internal~~ For taxable year 1983, “internal ~~revenue code” means the federal internal revenue code in effect on December 31, 1982. For taxable year 1984 and thereafter, “internal revenue code” means the federal internal revenue code in effect on December 31, 1983.~~

SECTION 33. 72.01 (17) of the statutes, as affected by 1983 Wisconsin Act 27, is amended to read:

72.01 (17) “Power of appointment” means any general power to appoint, as defined by section 2041 (relating to estate taxes) or 2514 (relating to gift taxes) of the 1954 internal revenue code, as amended to December 31, ~~1982 and as amended by P.L. 97-424, P.L. 97-448 and P.L. 97-473~~ 1983.

SECTION 34. 72.12 (4) (c) 1 of the statutes, as affected by 1983 Wisconsin Act 27, is amended to read:

72.12 (4) (c) 1. Benefits paid to a beneficiary under an employee benefit plan are taxable under this subchapter except to the extent that the proportionate share resulting from the employer's contribution would be excludable from the gross estate of the decedent under section 2039 of the 1954 internal revenue code as amended to December 31, 1982 and as amended by P.L. 97-424, P.L. 97-448 and P.L. 97-473 1983. This subsection applies whether or not there is a requirement for filing a federal estate tax return.

SECTION 35. 72.22 (4) (a) of the statutes, as affected by 1983 Wisconsin Act 27, is amended to read:

72.22 (4) (a) Whether or not there is a federal estate tax liability, if the estate would be authorized to pay federal estate taxes under section 6166 of the internal revenue code, as amended to December 31, 1982, and as amended by P.L. 97-424, P.L. 97-448, P.L. 97-473 and P.L. 98-4 1983, in lieu of full payment, payment may be made according to an equal payment schedule over a period not to exceed 15 years from the decedent's date of death. If an election is made under this subsection, the election shall apply only to the portion of the tax payable by a distributee which is determined by dividing the value of property received by a distributee which qualifies an estate for the election under the internal revenue code by the value of all property received by the distributee. A distributee electing to pay under this subsection may subsequently pay part or all of the remaining tax plus interest at the time any scheduled payment is due under this subsection. Interest on instalment payments under this subsection shall be computed under s. 72.23 at 12% per year.

SECTION 36. 76.38 (3a) of the statutes, as affected by 1983 Wisconsin Act 27, is amended to read:

76.38 (3a) The license fees prescribed by this section shall be paid to the department on an estimated basis. Remittances of semiannual instalments of the total estimated payments for the then current calendar year shall be due on or before May 10, and November 10 of the current year. With respect to the license fee assessment under sub. (3), each telephone company shall on each May 10 pay or be credited an amount which is equal to the difference between the May 1 assessment and the sum of the semiannual instalment payments made in the preceding calendar year. The additional amount shall be added to the semiannual instalment due on May 10; if there has been an overpayment the amount of the overpayment shall be credited to the semiannual instalment due May 10. If any telephone company that has a liability for the current year fails to make semiannual payments of at least 50% of the assessed liability for the current calendar year or 45% of the assessed liability for the subsequent calendar year, any amounts not paid when due shall become delinquent and shall be subject to interest under sub. (3). If any company that has no liability for the current year fails to make semiannual payments of at least 45% of the assessed liability for the subsequent calendar year or 100% of the liability in respect to revenue earned through April of the current year, any amounts not paid when due shall become delinquent and shall be subject to interest under sub. (3). Companies with a liability under this section of less than \$2,000 are not required to make semiannual payments but shall pay the full amount of license fees due on or before May 10 of the year of assessment.

SECTION 37. 84.51 (3m) of the statutes is repealed.

SECTION 37m. 84.59 (6) of the statutes, as created by 1983 Wisconsin Act 27, is amended to read:

84.59 (6) Revenue obligations may be contracted by the building commission when it reasonably appears to the building commission that all obligations incurred under this section can be fully paid from moneys received or anticipated and pledged to be received on a timely basis. Revenue obligations issued under this section shall not exceed

~~\$187,900,000~~ \$166,200,000 in principal amount, excluding obligations issued to refund outstanding revenue obligation notes. Not more than ~~\$155,200,000~~ \$137,300,000 of the ~~\$187,900,000~~ \$166,200,000 may be used for transportation facilities under s. 84.01 (28) and major highway projects under ss. 84.06 and 84.09.

SECTION 38. 121.07 (7) (a) (intro.) of the statutes, as affected by 1983 Wisconsin Act 27, is renumbered 121.07 (7) (a) and amended to read:

121.07 (7) (a) The "primary guaranteed valuation per member" shall be \$269,100 in the 1983-84 school year and ~~\$288,600~~ \$271,400 thereafter, ~~unless the state superintendent requests the joint committee on finance, acting under s. 13.10, to adjust the primary guaranteed valuation per member by June for the following school year. The joint committee on finance may adjust the primary guaranteed valuation per member if the committee determines that:~~

SECTION 39. 121.07 (7) (a) 1 and 2 of the statutes, as created by 1983 Wisconsin Act 27, are repealed.

SECTION 41. 895.60 of the statutes, as created by 1983 Wisconsin Act 27, is repealed.

SECTION 2051. Nonstatutory provisions; transportation.

(1) RECEIPT OF FEDERAL AIDS. If the state receives all or any portion of its allocation of delayed federal aids for highway facilities in a timely manner which permits construction of highway improvements, improvement of state bridges and interstate construction and rehabilitation to proceed on schedule without use of the increases in appropriations under section 20.395 (3) (cq), (dq) and (gq) of the statutes by this act, the department of transportation shall proceed with construction of those projects using the federal aids and shall lapse to the transportation fund all funds provided under section 20.395 (3) (cq), (dq) and (gq) of the statutes by this act not required to permit construction of those projects to proceed on schedule. To the extent that the increases in the appropriations under section 20.395 (3) (cq), (dq) and (gq) of the statutes by this act must be utilized to permit construction of highway improvements, improvement of state bridges and interstate construction and rehabilitation to proceed on schedule because of the delayed receipt of federal aids, the department of transportation shall seek federal share reimbursement of the costs of the projects as provided in subsection (2).

(2) FEDERAL SHARE REIMBURSEMENT. The department of transportation shall fully utilize the construction in advance of apportionment provisions of 23 USC 115 in seeking maximum federal share reimbursement for the costs of projects constructed with the increased SEG appropriations under section 20.395 (3) (cq), (dq) and (gq) of the statutes provided by this act. Upon receipt of federal share reimbursement for these projects, the department shall transfer the federal share to the appropriations under section 20.395 (3) (cx), (dx) and (gx) of the statutes, as affected by 1983 Wisconsin Act 27, and shall lapse to the transportation fund an amount equal to the federal share reimbursement from the increases in the appropriations under section 20.395 (3) (cq), (dq) and (gq) of the statutes by this act necessitated by the delayed receipt of federal funds for the construction of highway improvements under section 20.395 (3) (cx) of the statutes, improvement of state bridges under section 20.395 (3) (dx) of the statutes and interstate construction and rehabilitation under section 20.395 (3) (gx) of the statutes.

SECTION 2142. Appropriation changes; public instruction.

(1) GENERAL EQUALIZATION AIDS. The appropriation to the department of public instruction under section 20.255 (2) (ac) of the statutes, as affected by the acts of 1983, is increased by \$14,865,000 for fiscal year 1984-85 to provide additional general equalization aids to school districts.

(2) **SUPPLEMENTAL STATE AID.** The appropriation to the department of public instruction under section 20.255 (2) (an) of the statutes, as affected by the acts of 1983, is increased by \$135,000 for fiscal year 1984-85 to provide additional supplemental aid to school districts.

SECTION 2152. Appropriation changes; transportation.

(1) **MAJOR HIGHWAY DEVELOPMENT.** The appropriation to the department of transportation under section 20.395 (3) (bq) of the statutes, as affected by the acts of 1983, is increased by \$26,000,000 for fiscal year 1984-85 to provide additional SEG funds instead of public debt to finance major development of state trunk and connecting highways.

(1m) **MAJOR HIGHWAY DEVELOPMENT; REVENUE OBLIGATIONS.** The appropriation to the department of transportation under section 20.395 (3) (bq) of the statutes, as affected by the acts of 1983, is increased by \$17,900,000 for fiscal year 1984-85 to provide additional SEG funds instead of revenue obligations to finance major development of state trunk and connecting highways.

(2) **STATE TRUNK AND CONNECTING HIGHWAYS IMPROVEMENTS.** The appropriation to the department of transportation under section 20.395 (3) (cq) of the statutes, as affected by the acts of 1983, is increased by \$10,200,000 for fiscal year 1983-84 to permit construction of scheduled improvements on existing state trunk and connecting highways despite delays in the receipt of federal funds for this purpose under section 20.395 (3) (cx) of the statutes, as affected by 1983 Wisconsin Act 27.

(3) **BRIDGE IMPROVEMENTS.** The appropriation to the department of transportation under section 20.395 (3) (dq) of the statutes, as affected by the acts of 1983, is increased by \$2,200,000 for fiscal year 1983-84 to permit construction of scheduled improvements of existing bridges on state trunk or connecting highways despite delays in the receipt of federal funds for this purpose under section 20.395 (3) (dx) of the statutes, as affected by 1983 Wisconsin Act 27.

(4) **INTERSTATE CONSTRUCTION AND REHABILITATION.** The appropriation to the department of transportation under section 20.395 (3) (gq) of the statutes, as affected by the acts of 1983, is increased by \$12,100,000 for fiscal year 1983-84 to permit scheduled construction and rehabilitation of the national system of interstate and defense highways and bridges and related appurtenances despite delays in the receipt of federal funds for this purpose under section 20.395 (3) (gx) of the statutes, as affected 1983 Wisconsin Act 27.

SECTION 2201. Program responsibility changes. In the sections of the statutes listed in Column A, the program responsibilities references shown in Column B are deleted and the program responsibilities references shown in Column C are inserted:

(20) **HEALTH AND SOCIAL SERVICES.**

(a) *Health insurance.*

A	B	C
Statute Sections	References Deleted	References Inserted
15.191 (intro.), as affected by 1983 Wis. Act 27	71.01 (3)(a) 3 and (c) 3, 71.04 (2)(b) 7 and 71.05 (1)(a) 21	none
15.191 (intro.), as affected by 1983 Wis. Act 27	895.60	none

(26) **INSURANCE.**

(a) *Health insurance.*

A	B	C
Statute Sections	References Deleted	References Inserted
15.731, as affected by 1983 Wis. Act 27	71.01 (3)(a) 3 and (c) 3, 71.04 (2)(b) 7 and 71.05 (1)(a) 21	none

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15.731, as affected by 1983 Wis. Act 27 895.60 none

(42) PUBLIC INSTRUCTION.

(a) Health insurance.

A	B	C
Statute Sections	References Deleted	References Inserted
15.371 (intro.), as affected by 1983 Wis. Act 27	895.60	none

(45) REVENUE.

(a) Health insurance.

A	B	C
Statute Sections	References Deleted	References Inserted
15.431 (intro.), as affected by 1983 Wis. Act 27	895.60	none

(56) VOCATIONAL, TECHNICAL AND ADULT EDUCATION.

(a) Health insurance.

A	B	C
Statute Sections	References Deleted	References Inserted
15.941 (intro.), as affected by 1983 Wis. Act 27	895.60	none

SECTION 2203. Initial applicability.

(45) REVENUE.

(a) *Death taxes.* The treatment of sections 72.01 (17), 72.12 (4) (c) 1 and 72.22 (4) (a) of the statutes by this act first applies to transfers because of deaths occurring on the first day of the first month beginning after publication on this act.

(b) *Income taxes.* The treatment of sections 71.01 (4) (f), 71.02 (2) (f) and 71.05 (1) (b) 8 to 10 of the statutes by this act first applies to taxable year 1984.

(c) *Homestead credit.* The treatment of section 71.09 (7) (a) 6 and 8 of the statutes by this act first applies to claims filed in 1985 in respect to property taxes accrued and rent constituting property taxes accrued in 1984.

SECTION 2204. Effective dates.

(45) REVENUE.

(a) *Health insurance.* The treatment of sections 71.01 (3) (a) 1 to 3 and (c) 1 to 3, 71.04 (2) (b) 7 and 10, 71.05 (1) (a) 21 and 24 and 895.60 of the statutes and SECTION 2201 (20) (a), (26) (a), (42) (a), (45) (a) and (56) (a) of this act takes effect on January 1, 1984.
