



State of Wisconsin
2021 - 2022 LEGISLATURE

LRBs0026/1
JK:cdc&amn

**SENATE SUBSTITUTE AMENDMENT 2,
TO ASSEMBLY BILL 2**

February 16, 2021 - Offered by Senators LARSON, AGARD, BEWLEY, ERPENBACH,
JOHNSON, PFAFF, RINGHAND, ROYS, SMITH and WIRCH.

1 **AN ACT** *to repeal* 71.01 (6) (c), (d), (e), (f), (g), (h) and (i), 71.05 (1) (ae), 71.05 (6)
2 (b) 17. and 18., 71.05 (6) (b) 20., 36., 37., 39., 40. and 41., 71.22 (4) (c), (d), (e),
3 (f), (g), (h) and (i), 71.22 (4m) (c), (d), (e), (f), (g), (h) and (i), 71.26 (2) (b) 3., 4.,
4 5., 6., 7., 8. and 9., 71.34 (1g) (c), (d), (e), (f), (g), (h) and (i), 71.42 (2) (c), (d), (e),
5 (f), (g), (h) and (i), 77.51 (13gm) (a) 1. and 2., 77.51 (13gm) (d) 1. and 77.51 (13gm)
6 (d) 3. and 4.; *to renumber and amend* 71.05 (6) (b) 4., 71.26 (3) (ag), 71.76 and
7 77.51 (13gm) (a) (intro.); *to amend* 48.561 (3) (a) 3., 48.561 (3) (b), 59.25 (3) (i),
8 66.0602 (3) (h) 2. a., 66.0602 (6) (a), 66.0602 (6) (b), 66.1105 (6m) (d) 4., 70.46
9 (4), 70.855 (4) (b), 70.995 (8) (c) 1., 70.995 (8) (d), 70.995 (14) (b), 71.01 (6) (k)
10 3., 71.01 (6) (L) 1., 71.01 (6) (L) 3., 71.01 (6) (L) 4., 71.05 (1) (am), 71.05 (1) (an),
11 71.05 (6) (b) 19. c., 71.05 (6) (b) 19. d., 71.07 (5) (a) 15., 71.07 (9m) (h), 71.22 (4)
12 (k) 3., 71.22 (4) (L) 1., 71.22 (4) (L) 3., 71.22 (4) (L) 4., 71.22 (4m) (k) 3., 71.22
13 (4m) (L) 1., 71.22 (4m) (L) 3., 71.22 (4m) (L) 4., 71.26 (2) (b) 10. d., 71.26 (2) (b)

1 11. d., 71.26 (2) (b) 12. a., 71.26 (2) (b) 12. d., 71.26 (2) (b) 12. e., 71.26 (3) (L),
2 71.28 (6) (h), 71.34 (1g) (k) 3., 71.34 (1g) (L) 1., 71.34 (1g) (L) 3., 71.34 (1g) (L)
3 4., 71.42 (2) (k) 3., 71.42 (2) (L) 1., 71.42 (2) (L) 3., 71.42 (2) (L) 5., 71.47 (6) (h),
4 71.55 (10), 71.77 (7) (b), 71.83 (1) (a) 6., 73.0305, 73.09 (4) (c), 73.09 (5), 74.315
5 (1), 74.315 (2), 74.315 (3), 76.04 (1), 76.07 (1), 76.075, 76.13 (1), 76.13 (3), 76.28
6 (4) (b), 76.28 (11), 76.39 (4) (d), 76.48 (5), 77.51 (13gm) (b), 77.51 (13gm) (c),
7 77.51 (13gm) (d) 2., 77.51 (13gm) (d) 5., 77.52 (2m) (b), 77.54 (6) (am) 2., 77.54
8 (9a) (f), 77.54 (9m), 79.02 (1), 79.02 (2) (b), 79.02 (3) (a), 79.02 (3) (e), 79.035 (6),
9 79.035 (7) (b), 79.05 (1) (am) and 79.05 (2m); and **to create** 20.835 (2) (cd), 71.01
10 (6) (j) 3. m., 71.01 (6) (j) 3. n., 71.01 (6) (m), 71.01 (7g), 71.05 (1) (h), 71.05 (1)
11 (hm), 71.05 (6) (a) 30., 71.05 (6) (b) 4. a. to c., 71.05 (6) (b) 19. cm., 71.05 (6) (b)
12 19. dm., 71.05 (6) (b) 54., 71.22 (4) (j) 3. m., 71.22 (4) (j) 3. n., 71.22 (4) (m), 71.22
13 (4m) (j) 3. m., 71.22 (4m) (j) 3. n., 71.22 (4m) (m), 71.22 (5g), 71.26 (2) (a) 13.,
14 71.26 (2) (b) 13., 71.26 (2) (b) 14., 71.26 (3) (ag) 2., 71.26 (3) (ag) 3., 71.34 (1g)
15 (j) 3. m., 71.34 (1g) (j) 3. n., 71.34 (1g) (m), 71.34 (1k) (af), 71.34 (1k) (ah), 71.34
16 (1k) (q), 71.34 (1u), 71.42 (2) (j) 3. m., 71.42 (2) (j) 3. n., 71.42 (2) (m), 71.42 (2p),
17 71.45 (1) (d), 71.45 (1) (dm), 71.45 (2) (a) 22., 71.45 (2) (a) 23., 71.45 (2) (a) 24.,
18 71.52 (1g), 71.76 (2), 73.135, 74.315 (1m) and 77.61 (5) (b) 8m. of the statutes;
19 **relating to:** various changes to the laws administered and enforced by the
20 Department of Revenue and making an appropriation.

Analysis by the Legislative Reference Bureau

This bill makes changes to the laws administered and enforced by the Department of Revenue.

SHARED REVENUE

Reimbursement amounts

Under current law, the state reduces the shared revenue payments to counties and municipalities for various purposes, including for the collection of penalties and the reimbursement for other amounts. However, current law is not consistent with regard to which components of shared revenue are reduced for these purposes. This bill provides that all such reductions are from the payment of all shared revenue components that the counties and municipalities receive on the fourth Monday in July and the third Monday in November.

Expenditure restraint payments

Under current law, counties and municipalities receive 15 percent of their shared revenue payments on the fourth Monday in July and the remainder on the third Monday in November, except that municipalities receive the entire amount of their payment under the expenditure restraint program on the fourth Monday in July. The bill allows municipalities to receive their entire expenditure restraint payment before the fourth Monday in July, upon certification by DOR.

Under current law, the inflation factor used to compute a municipality's expenditure restraint payment is a percentage equal to the average annual percentage change in the U.S. consumer price index for all urban consumers, U.S. city average, as determined by the U.S. Department of Labor, for the 12 months ending on September 30. The bill modifies the consumer price index provision so that it is for the 12 months ending on August 31.

PROPERTY

Omitted property

Current law requires a taxation district clerk to annually submit to DOR a listing of the taxes on property omitted from assessment in any of the previous two years that are to be included in the next assessment. However, the clerk reports the omitted taxes only if those taxes exceed \$5,000. The bill modifies that \$5,000 threshold so that the clerk reports the omitted taxes that are \$250 or more for any single description of property. The bill also provides that the clerk may not list an omitted tax that was levied on property within a tax incremental district unless the current value of the district is lower than the tax incremental base.

Objections

Current law requires a person who files an objection to the assessment of the person's manufacturing property to pay a \$45 fee. The bill increases the filing fee to \$200.

License fees

Current law imposes license fees instead of property taxes on certain public utilities. The fees are based, generally, on the value of a utility's property. Utilities that are subject to the fees include light, heat, and power companies, pipeline companies, and railroad companies. Each such company, other than a railroad company, must file a report with DOR on or before May 1 of each year. DOR determines the value of the company's property on or before September 15. A

railroad company must file its report on or before April 15 and its value is determined on or before August 1. The bill changes the filing and determination dates for a railroad company so that those dates are the same as those for other public utilities.

The bill also decreases the interest rate paid on refunds of license fees paid by public utilities from 9 percent to 3 percent.

Board of review

Current law requires that at least one member of the board of review attend DOR training within the two-year period beginning on the date of the board's first meeting. The bill requires one member of the board of review to complete the training each year.

Assessor certification

Current law requires a person applying for an assessor certification examination to submit a \$20 fee with the application. A person applying for a renewal of an assessor certification pays a \$20 recertification fee with the application. The bill allows DOR to determine the amount of the fee for an assessor certification examination on the basis of DOR's estimate of the actual cost to administer and grade the examination, but the fee may not exceed \$75. The bill also allows DOR to determine the recertification fee.

Levy limit; joint fire departments

The property tax levy limit under current law does not apply to the amount that a city, village, or town levies to pay for charges assessed by a joint fire department or joint emergency medical services district if the current year increase in such charges is equal to or less than the percentage change in the U.S. consumer price index for all urban consumers, U.S. city average, as determined by the U.S. Department of Labor, for the 12 months ending on September 30 of the year of the levy, plus 2 percent. The bill modifies the consumer price index provision so that it is for the 12 months ending on August 31 of the year of the levy.

INCOME TAX

Grants awarded during and related to the pandemic

This bill excludes from state taxable income income received in the form of a grant issued by the state with moneys received from the coronavirus relief fund and income in the form of a grant issued by a state agency or the Wisconsin Economic Development Corporation during and related to the COVID-19 pandemic, including grants awarded under the ethnic minority emergency grant program.

Disability income subtraction

Current law allows an individual with less than \$20,200 of federal adjusted gross income to claim a disability income subtraction on the individual's state tax return, if the individual is under 65 years of age and retired on disability, and, when the individual retired, was permanently and totally disabled. For a married couple filing a joint return, each spouse may claim the credit if they meet the criteria and their combined income is less than \$25,400. The bill replaces an obsolete reference to the federal Internal Revenue Code with the language used to determine the claimant's eligibility that existed under the obsolete reference.

Homestead credit

Under current law, an individual who is under the age of 62 and who does not have a disability must have earned income in order to claim the homestead credit. However, current law does not define earned income for purposes of claiming the credit. The bill defines “earned income” for purposes of claiming the homestead credit as wages, salaries, tips, and other employee compensation that may be included in federal adjusted gross income for the taxable year, plus the amount of net earnings from self-employment.

Current law also requires individuals who wish to claim the homestead credit to add certain disqualified losses to homestead income in order to determine eligibility to claim the credit. However, the requirement does not apply to an individual whose primary income is from farming and whose farming operation generates less than \$250,000 in the year to which the claim relates. The bill clarifies that an individual’s primary income is from farming if the individual’s gross income from farming for the year in which the claim relates is greater than 50 percent of the individual’s total gross income from all sources for that year.

Final audit determinations

Under current law, a taxpayer who receives a final audit determination from DOR has 90 days to report to DOR any changes or corrections related to that determination. The bill increases the time for providing that report to 180 days.

Historic rehabilitation credit

The bill modifies the procedure for transferring the historic rehabilitation tax credit so that the person transferring the credit may file a claim for more than one taxable year.

Internal Revenue Code

The bill adopts for state income and franchise tax purposes various provisions of the federal Internal Revenue Code, including provisions of the Consolidated Appropriations Act of 2020 related to the earned income tax credit, the paycheck protection program, the economic injury disaster loan program, payment assistance for certain loan programs, and grants to shuttered venue operators. However, the bill limits the amount that a person may claim in the taxable year as a deduction for expenses paid or incurred directly or indirectly from forgiven paycheck protection program loans to \$250,000.

Medical care insurance subtraction

The bill eliminates obsolete provisions related to the medical care insurance subtraction for self-employed persons.

Payments from a retirement plan

Under current law, payments or distributions of \$5,000 or less received each year by an individual from a qualified retirement plan is exempt from income tax if the individual is at least 65 years of age and has income of less than \$15,000 if single or filing a tax return as head of household or less than \$30,000 if married. The bill changes the exemption to a subtraction that the taxpayer can choose not to claim if not claiming the subtraction would result in the taxpayer receiving a greater homestead credit.

SALES TAX

University of Wisconsin Hospitals and Clinics Authority

This bill provides a sales and use tax exemption for tangible personal property sold to a construction contractor who transfers the property to the University of Wisconsin Hospitals and Clinics Authority as part of constructing a facility for the authority in this state. A similar exemption applies under current law to property sold to a contractor who transfers the property to a local unit of government, technical college district, or institution or campus of the University of Wisconsin System. Under current law, a sale of tangible personal property directly to the University of Wisconsin Hospitals and Clinics Authority is exempt from the sales and use tax, but the exemption does not apply to a contractor who purchases tangible personal property on the authority's behalf.

Property transferred with services

Current law provides that persons providing landscaping, printing, fabricating, processing, or photographic services or performing services to tangible personal property may purchase for resale, without paying the sales tax, items that the person will transfer to a customer in conjunction with providing a service that is subject to the sales tax. The bill provides that the exemption applies regardless of whether the service is taxable.

Nonprofit organizations

The bill modifies the sales and use tax exemption for churches, religious organizations, and certain nonprofit organizations to conform with DOR's current practice with regard to the administration of the exemption. The bill provides that the exemption applies to organizations that are exempt from federal taxation under section 501 (c) (3) of the Internal Revenue Code and have received a determination letter for the Internal Revenue Service. The bill also provides that the exemption applies to churches and religious organizations that meet the requirements of section 501 (c) (3) of the Internal Revenue Code, but are not required to apply for or obtain tax-exempt status from the IRS.

Out-of-state retailer

Under current law, an out-of-state retailer that has annual gross sales into this state in excess of \$100,000 or 200 or more annual separate sales transactions into this state must register with DOR and collect the sales tax on those sales and transactions. The determination of the annual gross sales and transactions is based on the retailer's taxable year for federal income tax purposes.

Under the bill, an out-of-state retailer that has annual gross sales into this state in excess of \$100,000 in the previous or current calendar year must register with DOR and collect the sales tax on those sales.

Disclosure to state auditor

The bill allows the state auditor and Legislative Audit Bureau to examine sales and use tax returns and related documents to the extent necessary for the LAB to carry out its duties.

OTHER***Grants to businesses harmed by the pandemic***

This bill creates a grant program administered by DOR to make grants to businesses affected by the COVID-19 pandemic. For the purpose of distributing the grants, DOR will give preference to a business that did not receive a loan under the federal paycheck protection program, has no more than 300 employees, and can demonstrate that it had at least a 25 percent reduction in its gross receipts between comparable calendar quarters in 2019 and 2020. The bill does not preclude a business that received a PPP loan from receiving the grant, but DOR must give preference among those recipients to businesses that have no more than 300 employees and can demonstrate the 25 percent reduction in gross receipts. The bill prohibits a person who committed fraud from receiving a grant and requires that the person pay back the amount of any grant the person may have received. The bill also prohibits a payday lender and a person who outsourced jobs to another entity from receiving grants. Finally, the amount of the grant is excluded from the recipient's taxable income.

Payments from counties to towns

Under current law, during the period beginning on the third Monday of March and ending 10 days after the annual town meeting, a county treasurer may not pay to a town treasurer any money that belongs to the town and that is in the hands of the county treasurer except upon a written order of the town board. The bill eliminates this restriction.

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

1 **SECTION 1.** 20.835 (2) (cd) of the statutes is created to read:

2 20.835 (2) (cd) *Grants to businesses harmed by the pandemic.* A sum sufficient
3 to make grants to businesses under s. 73.135, except that the total amount of grants
4 made under s. 73.135 shall not exceed \$214,700,000.

5 **SECTION 2.** 48.561 (3) (a) 3. of the statutes is amended to read:

6 48.561 (3) (a) 3. Through a deduction of \$20,101,300 from any state payment
7 due that county under s. ~~79.035, 79.04, or 79.08~~ 79.02 (1), as provided in par. (b).

8 **SECTION 3.** 48.561 (3) (b) of the statutes is amended to read:

9 48.561 (3) (b) The department of administration shall collect the amount
10 specified in par. (a) 3. from a county having a population of 750,000 or more by

1 deducting all or part of that amount from any state payment due that county under
2 s. ~~79.035, 79.04, or 79.08~~ 79.02 (1). The department of administration shall notify
3 the department of revenue, by September 15 of each year, of the amount to be
4 deducted from the state payments due under s. ~~79.035, 79.04, or 79.08~~ 79.02 (1). The
5 department of administration shall credit all amounts collected under this
6 paragraph to the appropriation account under s. 20.437 (1) (kw) and shall notify the
7 county from which those amounts are collected of that collection. The department
8 may not expend any moneys from the appropriation account under s. 20.437 (1) (cx)
9 for providing services to children and families under s. 48.48 (17) until the amounts
10 in the appropriation account under s. 20.437 (1) (kw) are exhausted.

11 **SECTION 4.** 59.25 (3) (i) of the statutes is amended to read:

12 59.25 (3) (i) Make annually, on the 3rd Monday of March, a certified statement,
13 and forward the statement to each municipal clerk in the county, showing the
14 amount of money paid from the county treasury during the year next preceding to
15 each municipal treasurer in the county. The statement shall specify the date of each
16 payment, the amount thereof and the account upon which the payment was made.
17 ~~It shall be unlawful for any county treasurer to pay to the treasurer of any town any~~
18 ~~money in the hands of the county treasurer belonging to the town from the 3rd~~
19 ~~Monday of March until 10 days after the annual town meeting except upon the~~
20 ~~written order of the town board.~~

21 **SECTION 5.** 66.0602 (3) (h) 2. a. of the statutes is amended to read:

22 66.0602 (3) (h) 2. a. The total charges assessed by the joint fire department or
23 the joint emergency medical services district for the current year increase, relative
24 to the total charges assessed by the joint fire department or the joint emergency
25 medical services district for the previous year, by a percentage that is less than or

1 equal to the percentage change in the U.S. consumer price index for all urban
2 consumers, U.S. city average, as determined by the U.S. department of labor, for the
3 12 months ending on ~~September 30~~ August 31 of the year of the levy, plus 2 percent.

4 **SECTION 6.** 66.0602 (6) (a) of the statutes is amended to read:

5 66.0602 (6) (a) Reduce the amount of ~~county and municipal aid payments~~ the
6 payment to the political subdivision under s. ~~79.035~~ 79.02 (1) in the following year
7 by an amount equal to the amount of the penalized excess.

8 **SECTION 7.** 66.0602 (6) (b) of the statutes is amended to read:

9 66.0602 (6) (b) Ensure that the amount of any reductions in ~~county and~~
10 ~~municipal aid payments~~ under par. (a) lapses to the general fund.

11 **SECTION 8.** 66.1105 (6m) (d) 4. of the statutes is amended to read:

12 66.1105 (6m) (d) 4. If an annual report is not timely filed under par. (c), the
13 department of revenue shall notify the city that the report is past due. If the city does
14 not file the report within 60 days of the date on the notice, except as provided in this
15 subdivision, the department shall charge the city a fee of \$100 per day for each day
16 that the report is past due, up to a maximum penalty of \$6,000 per report. If the city
17 does not pay within 30 days of issuance, the department of revenue shall reduce and
18 withhold the amount of the shared revenue payments to the city under ~~subch. I of~~
19 ~~ch. 79 s. 79.02 (1)~~, in the following year, by an amount equal to the unpaid penalty.

20 **SECTION 9.** 70.46 (4) of the statutes is amended to read:

21 70.46 (4) No board of review may be constituted unless ~~it includes at least one~~
22 ~~voting member who, within 2 years of the board's first meeting, has attended at least~~
23 one member completes in each year a training session under s. 73.03 (55) ~~and unless~~
24 ~~that member is the municipality's chief executive officer or that officer's designee.~~

1 The municipal clerk shall provide an affidavit to the department of revenue stating
2 whether the requirement under this subsection has been fulfilled.

3 **SECTION 10.** 70.855 (4) (b) of the statutes is amended to read:

4 70.855 (4) (b) If the department of revenue does not receive the fee imposed on
5 a municipality under par. (a) by March 31 of the year following the department's
6 determination under sub. (2) (b), the department shall reduce the distribution made
7 to the municipality under s. 79.02 ~~(2) (b)~~ (1) by the amount of the fee and shall
8 transfer that amount to the appropriation under s. 20.566 (2) (ga).

9 **SECTION 11.** 70.995 (8) (c) 1. of the statutes is amended to read:

10 70.995 (8) (c) 1. All objections to the amount, valuation, taxability, or change
11 from assessment under this section to assessment under s. 70.32 (1) of property shall
12 be first made in writing on a form prescribed by the department of revenue that
13 specifies that the objector shall set forth the reasons for the objection, the objector's
14 estimate of the correct assessment, and the basis under s. 70.32 (1) for the objector's
15 estimate of the correct assessment. An objection shall be filed with the state board
16 of assessors within the time prescribed in par. (b) 1. A \$45 ~~\$200~~ fee shall be paid when
17 the objection is filed unless a fee has been paid in respect to the same piece of property
18 and that appeal has not been finally adjudicated. The objection is not filed until the
19 fee is paid. Neither the state board of assessors nor the tax appeals commission may
20 waive the requirement that objections be in writing. Persons who own land and
21 improvements to that land may object to the aggregate value of that land and
22 improvements to that land, but no person who owns land and improvements to that
23 land may object only to the valuation of that land or only to the valuation of
24 improvements to that land.

25 **SECTION 12.** 70.995 (8) (d) of the statutes is amended to read:

1 70.995 (8) (d) A municipality may file an objection with the state board of
2 assessors to the amount, valuation, or taxability under this section or to the change
3 from assessment under this section to assessment under s. 70.32 (1) of a specific
4 property having a situs in the municipality, whether or not the owner of the specific
5 property in question has filed an objection. Objection shall be made on a form
6 prescribed by the department and filed with the board within the time prescribed in
7 par. (b) 1. If the person assessed files an objection and the municipality affected does
8 not file an objection, the municipality affected may file an appeal to that objection
9 within 15 days after the person's objection is filed. A \$45 \$200 filing fee shall be paid
10 when the objection is filed unless a fee has been paid in respect to the same piece of
11 property and that appeal has not been finally adjudicated. The objection is not filed
12 until the fee is paid. The board shall forthwith notify the person assessed of the
13 objection filed by the municipality.

14 **SECTION 13.** 70.995 (14) (b) of the statutes is amended to read:

15 70.995 (14) (b) If the department of revenue does not receive the fee imposed
16 on a municipality under par. (a) by March 31 of each year, the department shall
17 reduce the distribution made to the municipality under s. 79.02 ~~(2) (b)~~ (1) by the
18 amount of the fee.

19 **SECTION 14.** 71.01 (6) (c), (d), (e), (f), (g), (h) and (i) of the statutes are repealed.

20 **SECTION 15.** 71.01 (6) (j) 3. m. of the statutes is created to read:

21 71.01 (6) (j) 3. m. Sections 101 (m), (n), (o), (p), and (q), 104 (a), and 109 of
22 division U of P.L. 115-141.

23 **SECTION 16.** 71.01 (6) (j) 3. n. of the statutes is created to read:

24 71.01 (6) (j) 3. n. Section 102 of division M and sections 110, 111, and 116 (b)
25 of division O of P.L. 116-94.

1 **SECTION 17.** 71.01 (6) (k) 3. of the statutes is amended to read:

2 71.01 **(6)** (k) 3. For purposes of this paragraph, “Internal Revenue Code” does
3 not include amendments to the federal Internal Revenue Code enacted after
4 December 31, 2016, except that “Internal Revenue Code” includes sections 11024,
5 11025, and 13543 of P.L. 115-97; sections 40307 and 40413 of P.L. 115-123; sections
6 101 (m), (n), (o), (p), and (q), 104 (a), and 109 of division U of P.L. 115-141; and section
7 102 of division M and sections 110, 111, and 116 (b) of division O of P.L. 116-94.

8 **SECTION 18.** 71.01 (6) (L) 1. of the statutes is amended to read:

9 71.01 **(6)** (L) 1. For taxable years beginning after December 31, 2017, and
10 before January 1, 2021, for individuals and fiduciaries, except fiduciaries of nuclear
11 decommissioning trust or reserve funds, “Internal Revenue Code” means the federal
12 Internal Revenue Code as amended to December 31, 2017, except as provided in
13 subds. 2. and 3. and s. 71.98 and subject to subd. 4.

14 **SECTION 19.** 71.01 (6) (L) 3. of the statutes is amended to read:

15 71.01 **(6)** (L) 3. For purposes of this paragraph, “Internal Revenue Code” does
16 not include amendments to the federal Internal Revenue Code enacted after
17 December 31, 2017, except that “Internal Revenue Code” includes sections 40307,
18 40413, and 41113 of P.L. 115-123; sections 101 (m), (n), (o), (p), and (q), 104 (a), 109,
19 401 (a) (54) and (b) (15) (A), (B), and (C), 19, 20, 23, 26, 27, and 28 of division U of P.L.
20 115-141; sections 102 and 104 of division M, sections 102, 103, 106, 107, 108, 109,
21 110, 111, 113, 114, 115, 116, 201, 204, 205, 206, 302, 401, and 601 of division O, section
22 1302 of division P, and sections 131, 202 (d), and 205 of division Q of P.L. 116-94;
23 sections 1106, 2202, 2203, 2204, 2205, 2206, 2307, 3608, 3609, 3701, and 3702 of
24 division A of P.L. 116-136; and sections 202, 208, 209, 211, and 214 of division EE and

1 sections 276 (a) and (b), 277, 278 (a), (b), (c), and (d), 280, and 285 of division N of P.L.
2 116-260.

3 **SECTION 20.** 71.01 (6) (L) 4. of the statutes is amended to read:

4 71.01 (6) (L) 4. For purposes of this paragraph, the provisions of federal public
5 laws that directly or indirectly affect the Internal Revenue Code, as defined in this
6 paragraph, apply for Wisconsin purposes at the same time as for federal purposes,
7 except that changes made by P.L. 115-63 and sections 11026, 11027, 11028, 13207,
8 13306, 13307, 13308, 13311, 13312, 13501, 13705, 13821, and 13823 of P.L. 115-97
9 first apply for taxable years beginning after December 31, 2017.

10 **SECTION 21.** 71.01 (6) (m) of the statutes is created to read:

11 71.01 (6) (m) 1. For taxable years beginning after December 31, 2020, for
12 individuals and fiduciaries, except fiduciaries of nuclear decommissioning trust or
13 reserve funds, “Internal Revenue Code” means the federal Internal Revenue Code
14 as amended to December 31, 2020, except as provided in subds. 2. and 3. and s. 71.98
15 and subject to subd. 4.

16 2. For purposes of this paragraph, “Internal Revenue Code” does not include
17 the following provisions of federal public laws for taxable years beginning after
18 December 31, 2020: section 13113 of P.L. 103-66; sections 1, 3, 4, and 5 of P.L.
19 106-519; sections 101, 102, and 422 of P.L. 108-357; sections 1310 and 1351 of P.L.
20 109-58; section 11146 of P.L. 109-59; section 403 (q) of P.L. 109-135; section 513 of
21 P.L. 109-222; sections 104 and 307 of P.L. 109-432; sections 8233 and 8235 of P.L.
22 110-28; section 11 (e) and (g) of P.L. 110-172; section 301 of P.L. 110-245; section
23 15351 of P.L. 110-246; section 302 of division A, section 401 of division B, and sections
24 312, 322, 502 (c), 707, and 801 of division C of P.L. 110-343; sections 1232, 1241, 1251,
25 1501, and 1502 of division B of P.L. 111-5; sections 211, 212, 213, 214, and 216 of P.L.

1 111-226; sections 2011 and 2122 of P.L. 111-240; sections 753, 754, and 760 of P.L.
2 111-312; section 1106 of P.L. 112-95; sections 104, 318, 322, 323, 324, 326, 327, and
3 411 of P.L. 112-240; P.L. 114-7; section 1101 of P.L. 114-74; section 305 of division
4 P of P.L. 114-113; sections 123, 125 to 128, 143, 144, 151 to 153, 165 to 167, 169 to
5 171, 189, 191, 307, 326, and 411 of division Q of P.L. 114-113; sections 11011, 11012,
6 13201 (a) to (e) and (g), 13206, 13221, 13301, 13304 (a), (b), and (d), 13531, 13601,
7 13801, 14101, 14102, 14103, 14201, 14202, 14211, 14212, 14213, 14214, 14215,
8 14221, 14222, 14301, 14302, 14304, and 14401 of P.L. 115-97; sections 40304, 40305,
9 40306, and 40412 of P.L. 115-123; section 101 (c) of division T of P.L. 115-141;
10 sections 101 (d) and (e), 102, 201 to 207, 301, 302, and 401 (a) (47) and (195), (b) (13),
11 (17), (22) and (30), and (d) (1) (D) (v), (vi), and (xiii) and (xvii) (II) of division U of P.L.
12 115-141; sections 104, 114, 115, 116, 130, and 145 of division Q of P.L. 116-94;
13 sections 2304 and 2306 of P.L. 116-136; and sections 111, 114, 115, 116, 118 (a) and
14 (d), 133, 137, 138, and 210 of division EE of P.L. 116-260.

15 3. For purposes of this paragraph, “Internal Revenue Code” does not include
16 amendments to the federal Internal Revenue Code enacted after December 31, 2020.

17 4. For purposes of this paragraph, the provisions of federal public laws that
18 directly or indirectly affect the Internal Revenue Code, as defined in this paragraph,
19 apply for Wisconsin purposes at the same time as for federal purposes, except that
20 changes made by sections 20101, 20102, 20104, 20201, 40201, 40202, 40203, 40308,
21 40309, 40311, 40414, 41101, 41107, 41114, 41115, and 41116 of P.L. 115-123; section
22 101 (a), (b), and (h) of division U of P.L. 115-141; section 1203 of P.L. 116-25; section
23 1122 of P.L. 116-92; section 301 of division O, section 1302 of division P, and sections
24 101, 102, 103, 117, 118, 132, 201, 202 (a), (b), and (c), 204 (a), (b), and (c), 301, and
25 302 of division Q of P.L. 116-94; section 2 of P.L. 116-98; and sections 301, 302, and

1 304 of division EE of P.L. 116-260 apply for taxable years beginning after December
2 31, 2020.

3 **SECTION 22.** 71.01 (7g) of the statutes is created to read:

4 71.01 (7g) For purposes of s. 71.01 (6) (b), 2013 stats., “Internal Revenue Code”
5 includes section 109 of division U of P.L. 115-141.

6 **SECTION 23.** 71.05 (1) (ae) of the statutes is repealed.

7 **SECTION 24.** 71.05 (1) (am) of the statutes is amended to read:

8 71.05 (1) (am) *Military retirement systems.* All retirement payments received
9 from the U.S. military employee retirement system, to the extent that such payments
10 are not exempt under par. (a) ~~or (ae)~~ or sub. (6) (b) 54.

11 **SECTION 25.** 71.05 (1) (an) of the statutes is amended to read:

12 71.05 (1) (an) *Uniformed services retirement benefits.* All retirement payments
13 received from the U.S. government that relate to service with the coast guard, the
14 commissioned corps of the national oceanic and atmospheric administration, or the
15 commissioned corps of the public health service, to the extent that such payments are
16 not exempt under par. (a), ~~(ae)~~, or (am) or sub. (6) (b) 54.

17 **SECTION 26.** 71.05 (1) (h) of the statutes is created to read:

18 71.05 (1) (h) *Grants to businesses harmed by the pandemic.* Income received
19 in the form of a grant issued under s. 73.135.

20 **SECTION 27.** 71.05 (1) (hm) of the statutes is created to read:

21 71.05 (1) (hm) *Wisconsin grants awarded during and related to the pandemic.*
22 Income received in the form of a grant issued by the state with moneys received from
23 the coronavirus relief fund authorized under 42 USC 801 and income in the form of
24 a grant issued by a state agency or the Wisconsin Economic Development
25 Corporation during and related to the COVID-19 pandemic, including grants

1 awarded under the ethnic minority emergency grant program. Amounts otherwise
2 deductible under this chapter that are paid directly or indirectly with the grant
3 money are deductible.

4 **SECTION 28.** 71.05 (6) (a) 30. of the statutes is created to read:

5 71.05 (6) (a) 30. For taxable years beginning after December 31, 2018, the
6 amount of the deductions in excess of \$250,000 for expenses paid or incurred in the
7 taxable year directly or indirectly from forgiven loans under sections 276 (a) and (b)
8 and 278 (a) of Division N of P.L. 116-260.

9 **SECTION 29.** 71.05 (6) (b) 4. of the statutes is renumbered 71.05 (6) (b) 4. (intro.)
10 and amended to read:

11 71.05 (6) (b) 4. (intro.) Disability payments other than disability payments that
12 are paid from a retirement plan, the payments from which are exempt under sub-
13 subs. (1) (ae), (am), and (an) and (6) (b) 54., if the individual either is single or is
14 married and files a joint return, ~~to the extent those payments are excludable under~~
15 ~~section 105 (d) of the Internal Revenue Code as it existed immediately prior to its~~
16 ~~repeal in 1983 by section 122 (b) of P.L. 98-21, except that if an individual is divorced~~
17 ~~during the taxable year that individual may subtract an amount only if that person~~
18 ~~is disabled and the amount that may be subtracted then is \$100 for each week that~~
19 ~~payments are received or the amount of disability pay reported as income, whichever~~
20 ~~is less. If the exclusion under this subdivision is claimed on a joint return and only~~
21 ~~one of the spouses is disabled, the maximum exclusion is \$100 for each week that~~
22 ~~payments are received or the amount of disability pay reported as income, whichever~~
23 ~~is less. and is under 65 years of age before the close of the taxable year to which the~~
24 ~~subtraction relates, retired on disability, and, when the individual retired, was~~
25 ~~permanently and totally disabled. In this subdivision, “permanently and totally~~

1 disabled” means an individual who is unable to engage in any substantial gainful
2 activity by reason of any medically determinable physical or mental impairment that
3 can be expected to result in death or which has lasted or can be expected to last for
4 a continuous period of not less than 12 months. An individual shall not be considered
5 permanently and totally disabled for purposes of this subdivision unless proof is
6 furnished in such form and manner, and at such times, as prescribed by the
7 department. The exclusion under this subdivision shall be determined as follows:

8 **SECTION 30.** 71.05 (6) (b) 4. a. to c. of the statutes are created to read:

9 71.05 (6) (b) 4. a. If the individual is single and the individual’s federal adjusted
10 gross income in the year to which the subtraction relates is less than \$20,200, the
11 maximum subtraction is \$100 for each week that payments are received or the
12 amount of disability pay reported as income, whichever is less.

13 b. If the individual is married and filing a joint return and the couple’s federal
14 adjusted gross income in the year to which the subtraction relates is less than
15 \$20,200, or \$25,400 if both spouses are disabled, the maximum subtraction is \$100
16 for each week that payments are received, per spouse if both spouses are disabled,
17 or the amount of disability pay reported as income, whichever is less.

18 c. If the federal adjusted gross income of the individual, or individuals if filing
19 a joint return, for the taxable year, determined without regard to this subd. 4.,
20 exceeds \$15,000, the amount subtracted under this subd. 4. for the taxable year shall
21 be reduced by an amount equal to the excess of the federal adjusted gross income over
22 \$15,000.

23 **SECTION 31.** 71.05 (6) (b) 17. and 18. of the statutes are repealed.

24 **SECTION 32.** 71.05 (6) (b) 19. c. of the statutes is amended to read:

1 71.05 (6) (b) 19. c. For taxable years beginning before January 1, 2021, for a
2 person who is a nonresident or a part-year resident of this state, modify the amount
3 calculated under subd. 19. b. by multiplying the amount by a fraction the numerator
4 of which is the person's net earnings from a trade or business that are taxable by this
5 state and the denominator of which is the person's total net earnings from a trade
6 or business.

7 **SECTION 33.** 71.05 (6) (b) 19. cm. of the statutes is created to read:

8 71.05 (6) (b) 19. cm. For taxable years beginning after December 31, 2020, for
9 a person who is a nonresident or a part-year resident of this state, modify the amount
10 calculated under subd. 19. b. by multiplying the amount by a fraction the numerator
11 of which is the person's wages, salary, tips, unearned income, and net earnings from
12 a trade or business that are taxable by this state and the denominator of which is the
13 person's total wages, salary, tips, unearned income, and net earnings from a trade
14 or business. In this subd. 19. cm., for married persons filing separately "wages,
15 salary, tips, unearned income, and net earnings from a trade or business" means the
16 separate wages, salary, tips, unearned income, and net earnings from a trade or
17 business of each spouse, and for married persons filing jointly "wages, salary, tips,
18 unearned income, and net earnings from a trade or business" means the total wages,
19 salary, tips, unearned income, and net earnings from a trade or business of both
20 spouses.

21 **SECTION 34.** 71.05 (6) (b) 19. d. of the statutes is amended to read:

22 71.05 (6) (b) 19. d. ~~Reduce~~ For taxable years beginning before January 1, 2021,
23 reduce the amount calculated under subd. 19. b. or c. to the person's aggregate net
24 earnings from a trade or business that are taxable by this state.

25 **SECTION 35.** 71.05 (6) (b) 19. dm. of the statutes is created to read:

1 71.05 (6) (b) 19. dm. For taxable years beginning after December 31, 2020,
2 reduce the amount calculated under subd. 19. b. or cm. to the person's aggregate
3 wages, salary, tips, unearned income, and net earnings from a trade or business that
4 are taxable by this state.

5 **SECTION 36.** 71.05 (6) (b) 20., 36., 37., 39., 40. and 41. of the statutes are
6 repealed.

7 **SECTION 37.** 71.05 (6) (b) 54. of the statutes is created to read:

8 71.05 (6) (b) 54. Except for a payment that is exempt under sub. (1) (a), (am),
9 or (an), or that is exempt as a railroad retirement benefit, for taxable years beginning
10 after December 31, 2020, up to \$5,000 of payments or distributions received each
11 year by an individual from a qualified retirement plan under the Internal Revenue
12 Code or from an individual retirement account established under 26 USC 408, if all
13 of the following conditions apply:

14 a. The individual is at least 65 years of age before the close of the taxable year
15 to which the exemption claim relates.

16 b. If the individual is single or files as head of household, his or her federal
17 adjusted gross income in the year to which the exemption claim relates is less than
18 \$15,000.

19 c. If the individual is married and is a joint filer, the couple's federal adjusted
20 gross income in the year to which the exemption claim relates is less than \$30,000.

21 d. If the individual is married and files a separate return, the sum of both
22 spouses' federal adjusted gross income in the year to which the exemption claim
23 relates is less than \$30,000.

24 **SECTION 38.** 71.07 (5) (a) 15. of the statutes is amended to read:

1 71.07 (5) (a) 15. The amount claimed as a deduction for medical care insurance
2 under section 213 of the Internal Revenue Code that is exempt from taxation under
3 s. 71.05 (6) (b) ~~17. to 20. 19., 35., 36., 37., 38., 39., 40., 41.,~~ and 42. and the amount
4 claimed as a deduction for a long-term care insurance policy under section 213 (d)
5 (1) (D) of the Internal Revenue Code, as defined in section 7702B (b) of the Internal
6 Revenue Code that is exempt from taxation under s. 71.05 (6) (b) 26.

7 **SECTION 39.** 71.07 (9m) (h) of the statutes is amended to read:

8 71.07 (9m) (h) Any person, including a nonprofit entity described in section 501
9 (c) (3) of the Internal Revenue Code, may sell or otherwise transfer the credit under
10 par. (a) 2m. or 3., in whole or in part, to another person who is subject to the taxes
11 imposed under s. 71.02, 71.23, or 71.43, if the person notifies the department of the
12 transfer, and submits with the notification a copy of the transfer documents, and the
13 department certifies ownership of the credit with each transfer. The transferor may
14 file a claim for more than one taxable year on a form prescribed by the department
15 to compute all years of the credit under par. (a) 2m. or 3., at the time of the transfer
16 request. The transferee may first use the credit to offset tax in the taxable year of
17 the transferor in which the transfer occurs and may use the credit only to offset tax
18 in taxable years otherwise allowed to be claimed and carried forward by the original
19 claimant.

20 **SECTION 40.** 71.22 (4) (c), (d), (e), (f), (g), (h) and (i) of the statutes are repealed.

21 **SECTION 41.** 71.22 (4) (j) 3. m. of the statutes is created to read:

22 71.22 (4) (j) 3. m. Sections 101 (m), (n), (o), (p), and (q), 104 (a), and 109 of
23 division U of P.L. 115-141.

24 **SECTION 42.** 71.22 (4) (j) 3. n. of the statutes is created to read:

1 71.22 (4) (j) 3. n. Section 102 of division M and sections 110, 111, and 116 (b)
2 of division O of P.L. 116-94.

3 **SECTION 43.** 71.22 (4) (k) 3. of the statutes is amended to read:

4 71.22 (4) (k) 3. For purposes of this paragraph, “Internal Revenue Code” does
5 not include amendments to the federal Internal Revenue Code enacted after
6 December 31, 2016, except that “Internal Revenue Code” includes sections 11024,
7 11025, and 13543 of P.L. 115-97; sections 40307 and 40413 of P.L. 115-123, sections
8 101 (m), (n), (o), (p), and (q), 104 (a), and 109 of division U of 115-141; and section
9 102 of division M and sections 110, 111, and 116 (b) of division O of P.L. 116-94.

10 **SECTION 44.** 71.22 (4) (L) 1. of the statutes is amended to read:

11 71.22 (4) (L) 1. For taxable years beginning after December 31, 2017, and
12 before January 1, 2021, “Internal Revenue Code” means the federal Internal
13 Revenue Code as amended to December 31, 2017, except as provided in subds. 2. and
14 3. and subject to subd. 4., and except as provided in sub. (4m) and ss. 71.26 (2) (b) and
15 (3), 71.34 (1g), 71.42 (2), and 71.98.

16 **SECTION 45.** 71.22 (4) (L) 3. of the statutes is amended to read:

17 71.22 (4) (L) 3. For purposes of this paragraph, “Internal Revenue Code” does
18 not include amendments to the federal Internal Revenue Code enacted after
19 December 31, 2017, except that “Internal Revenue Code” includes sections 40307,
20 40413, and 41113 of P.L. 115-123; sections 101 (m), (n), (o), (p), and (q), 104 (a), 109,
21 401 (a) (54) and (b) (15) (A), (B), and (C), 19, 20, 23, 26, 27, and 28 of division U of P.L.
22 115-141; sections 102 and 104 of division M, sections 102, 103, 106, 107, 108, 109,
23 110, 111, 113, 114, 115, 116, 201, 204, 205, 206, 302, 401, and 601 of division O, section
24 1302 of division P, and sections 131, 202 (d), and 205 of division Q of P.L. 116-94;
25 sections 1106, 2202, 2203, 2204, 2205, 2206, 2307, 3608, 3609, 3701, and 3702 of

1 division A of P.L. 116-136; and sections 202, 208, 209, 211, and 214 of division EE and
2 sections 276 (a) and (b), 277, 278 (a), (b), (c), and (d), 280, and 285 of division N of P.L.
3 116-260.

4 **SECTION 46.** 71.22 (4) (L) 4. of the statutes is amended to read:

5 71.22 (4) (L) 4. For purposes of this paragraph, the provisions of federal public
6 laws that directly or indirectly affect the Internal Revenue Code, as defined in this
7 paragraph, apply for Wisconsin purposes at the same time as for federal purposes,
8 except that changes made by P.L. 115-63 and sections 11026, 11027, 11028, 13207,
9 13306, 13307, 13308, 13311, 13312, 13501, 13705, 13821, and 13823 of P.L. 115-97
10 first apply for taxable years beginning after December 31, 2017.

11 **SECTION 47.** 71.22 (4) (m) of the statutes is created to read:

12 71.22 (4) (m) 1. For taxable years beginning after December 31, 2020, “Internal
13 Revenue Code” means the federal Internal Revenue Code as amended to December
14 31, 2020, except as provided in subds. 2. and 3. and subject to subd. 4., and except
15 as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34 (1g), 71.42 (2), and 71.98.

16 2. For purposes of this paragraph, “Internal Revenue Code” does not include
17 the following provisions of federal public laws for taxable years beginning after
18 December 31, 2020: section 13113 of P.L. 103-66; sections 1, 3, 4, and 5 of P.L.
19 106-519; sections 101, 102, and 422 of P.L. 108-357; sections 1310 and 1351 of P.L.
20 109-58; section 11146 of P.L. 109-59; section 403 (q) of P.L. 109-135; section 513 of
21 P.L. 109-222; sections 104 and 307 of P.L. 109-432; sections 8233 and 8235 of P.L.
22 110-28; section 11 (e) and (g) of P.L. 110-172; section 301 of P.L. 110-245; section
23 15351 of P.L. 110-246; section 302 of division A, section 401 of division B, and sections
24 312, 322, 502 (c), 707, and 801 of division C of P.L. 110-343; sections 1232, 1241, 1251,
25 1501, and 1502 of division B of P.L. 111-5; sections 211, 212, 213, 214, and 216 of P.L.

1 111-226; sections 2011 and 2122 of P.L. 111-240; sections 753, 754, and 760 of P.L.
2 111-312; section 1106 of P.L. 112-95; sections 104, 318, 322, 323, 324, 326, 327, and
3 411 of P.L. 112-240; P.L. 114-7; section 1101 of P.L. 114-74; section 305 of division
4 P of P.L. 114-113; sections 123, 125 to 128, 143, 144, 151 to 153, 165 to 167, 169 to
5 171, 189, 191, 307, 326, and 411 of division Q of P.L. 114-113; sections 11011, 11012,
6 13201 (a) to (e) and (g), 13206, 13221, 13301, 13304 (a), (b), and (d), 13531, 13601,
7 13801, 14101, 14102, 14103, 14201, 14202, 14211, 14212, 14213, 14214, 14215,
8 14221, 14222, 14301, 14302, 14304, and 14401 of P.L. 115-97; sections 40304, 40305,
9 40306, and 40412 of P.L. 115-123; section 101 (c) of division T of P.L. 115-141;
10 sections 101 (d) and (e), 102, 201 to 207, 301, 302, and 401 (a) (47) and (195), (b) (13),
11 (17), (22) and (30), and (d) (1) (D) (v), (vi), and (xiii) and (xvii) (II) of division U of P.L.
12 115-141; sections 104, 114, 115, 116, 130, and 145 of division Q of P.L. 116-94;
13 sections 2304 and 2306 of P.L. 116-136; and sections 111, 114, 115, 116, 118 (a) and
14 (d), 133, 137, 138, and 210 of division EE of P.L. 116-260.

15 3. For purposes of this paragraph, “Internal Revenue Code” does not include
16 amendments to the federal Internal Revenue Code enacted after December 31, 2020.

17 4. For purposes of this paragraph, the provisions of federal public laws that
18 directly or indirectly affect the Internal Revenue Code, as defined in this paragraph,
19 apply for Wisconsin purposes at the same time as for federal purposes, except that
20 changes made by sections 20101, 20102, 20104, 20201, 40201, 40202, 40203, 40308,
21 40309, 40311, 40414, 41101, 41107, 41114, 41115, and 41116 of P.L. 115-123; section
22 101 (a), (b), and (h) of division U of P.L. 115-141; section 1203 of P.L. 116-25; section
23 1122 of P.L. 116-92; section 301 of division O, section 1302 of division P, and sections
24 101, 102, 103, 117, 118, 132, 201, 202 (a), (b), and (c), 204 (a), (b), and (c), 301, and
25 302 of division Q of P.L. 116-94; section 2 of P.L. 116-98; and sections 301, 302, and

1 304 of division EE of P.L. 116-260 apply for taxable years beginning after December
2 31, 2020.

3 **SECTION 48.** 71.22 (4m) (c), (d), (e), (f), (g), (h) and (i) of the statutes are repealed.

4 **SECTION 49.** 71.22 (4m) (j) 3. m. of the statutes is created to read:

5 71.22 (4m) (j) 3. m. Sections 101 (m), (n), (o), (p), and (q), 104 (a), and 109 of
6 division U of P.L. 115-141.

7 **SECTION 50.** 71.22 (4m) (j) 3. n. of the statutes is created to read:

8 71.22 (4m) (j) 3. n. Section 102 of division M and sections 110, 111, and 116 (b)
9 of division O of P.L. 116-94.

10 **SECTION 51.** 71.22 (4m) (k) 3. of the statutes is amended to read:

11 71.22 (4m) (k) 3. For purposes of this paragraph, “Internal Revenue Code” does
12 not include amendments to the federal Internal Revenue Code enacted after
13 December 31, 2016, except that “Internal Revenue Code” includes sections 11024,
14 11025, and 13543 of P.L. 115-97; sections 40307 and 40413 of P.L. 115-123; sections
15 101 (m), (n), (o), (p), and (q), 104 (a), and 109 of division U of P.L. 115-141; and section
16 102 of division M and sections 110, 111, and 116 (b) of division O of P.L. 116-94.

17 **SECTION 52.** 71.22 (4m) (L) 1. of the statutes is amended to read:

18 71.22 (4m) (L) 1. For taxable years beginning after December 31, 2017, and
19 before January 1, 2021, “Internal Revenue Code”, for corporations that are subject
20 to a tax on unrelated business income under s. 71.26 (1) (a), means the federal
21 Internal Revenue Code as amended to December 31, 2017, except as provided in
22 subds. 2. and 3. and s. 71.98 and subject to subd. 4.

23 **SECTION 53.** 71.22 (4m) (L) 3. of the statutes is amended to read:

24 71.22 (4m) (L) 3. For purposes of this paragraph, “Internal Revenue Code” does
25 not include amendments to the federal Internal Revenue Code enacted after

1 December 31, 2017, except that “Internal Revenue Code” includes sections 40307,
2 40413, and 41113 of P.L. 115-123; sections 101 (m), (n), (o), (p), and (q), 104 (a), 109,
3 401 (a) (54) and (b) (15) (A), (B), and (C), 19, 20, 23, 26, 27, and 28 of division U of P.L.
4 115-141; sections 102 and 104 of division M, sections 102, 103, 106, 107, 108, 109,
5 110, 111, 113, 114, 115, 116, 201, 204, 205, 206, 302, 401, and 601 of division O, section
6 1302 of division P, and sections 131, 202 (d), and 205 of division Q of P.L. 116-94;
7 sections 1106, 2202, 2203, 2204, 2205, 2206, 2307, 3608, 3609, 3701, and 3702 of
8 division A of P.L. 116-136; and sections 202, 208, 209, 211, and 214 of division EE and
9 sections 276 (a) and (b), 277, 278 (a), (b), (c), and (d), 280, and 285 of division N of P.L.
10 116-260.

11 **SECTION 54.** 71.22 (4m) (L) 4. of the statutes is amended to read:

12 71.22 (4m) (L) 4. For purposes of this paragraph, the provisions of federal
13 public laws that directly or indirectly affect the Internal Revenue Code, as defined
14 in this paragraph, apply for Wisconsin purposes at the same time as for federal
15 purposes, except that changes made by P.L. 115-63 and sections 11026, 11027, 11028,
16 13207, 13306, 13307, 13308, 13311, 13312, 13501, 13705, 13821, and 13823 of P.L.
17 115-97 first apply for taxable years beginning after December 31, 2017.

18 **SECTION 55.** 71.22 (4m) (m) of the statutes is created to read:

19 71.22 (4m) (m) 1. For taxable years beginning after December 31, 2020,
20 “Internal Revenue Code,” for corporations that are subject to a tax on unrelated
21 business income under s. 71.26 (1) (a), means the federal Internal Revenue Code as
22 amended to December 31, 2020, except as provided in subds. 2. and 3. and s. 71.98
23 and subject to subd. 4.

24 2. For purposes of this paragraph, “Internal Revenue Code” does not include
25 the following provisions of federal public laws for taxable years beginning after

1 December 31, 2020: section 13113 of P.L. 103-66; sections 1, 3, 4, and 5 of P.L.
2 106-519; sections 101, 102, and 422 of P.L. 108-357; sections 1310 and 1351 of P.L.
3 109-58; section 11146 of P.L. 109-59; section 403 (q) of P.L. 109-135; section 513 of
4 P.L. 109-222; sections 104 and 307 of P.L. 109-432; sections 8233 and 8235 of P.L.
5 110-28; section 11 (e) and (g) of P.L. 110-172; section 301 of P.L. 110-245; section
6 15351 of P.L. 110-246; section 302 of division A, section 401 of division B, and sections
7 312, 322, 502 (c), 707, and 801 of division C of P.L. 110-343; sections 1232, 1241, 1251,
8 1501, and 1502 of division B of P.L. 111-5; sections 211, 212, 213, 214, and 216 of P.L.
9 111-226; sections 2011 and 2122 of P.L. 111-240; sections 753, 754, and 760 of P.L.
10 111-312; section 1106 of P.L. 112-95; sections 104, 318, 322, 323, 324, 326, 327, and
11 411 of P.L. 112-240; P.L. 114-7; section 1101 of P.L. 114-74; section 305 of division
12 P of P.L. 114-113; sections 123, 125 to 128, 143, 144, 151 to 153, 165 to 167, 169 to
13 171, 189, 191, 307, 326, and 411 of division Q of P.L. 114-113; sections 11011, 11012,
14 13201 (a) to (e) and (g), 13206, 13221, 13301, 13304 (a), (b), and (d), 13531, 13601,
15 13801, 14101, 14102, 14103, 14201, 14202, 14211, 14212, 14213, 14214, 14215,
16 14221, 14222, 14301, 14302, 14304, and 14401 of P.L. 115-97; sections 40304, 40305,
17 40306, and 40412 of P.L. 115-123; section 101 (c) of division T of P.L. 115-141;
18 sections 101 (d) and (e), 102, 201 to 207, 301, 302, and 401 (a) (47) and (195), (b) (13),
19 (17), (22) and (30), and (d) (1) (D) (v), (vi), and (xiii) and (xvii) (II) of division U of P.L.
20 115-141; sections 104, 114, 115, 116, 130, and 145 of division Q of P.L. 116-94;
21 sections 2304 and 2306 of P.L. 116-136; and sections 111, 114, 115, 116, 118 (a) and
22 (d), 133, 137, 138, and 210 of division EE of P.L. 116-260.

23 3. For purposes of this paragraph, “Internal Revenue Code” does not include
24 amendments to the federal Internal Revenue Code enacted after December 31, 2020.

1 4. For purposes of this paragraph, the provisions of federal public laws that
2 directly or indirectly affect the Internal Revenue Code, as defined in this paragraph,
3 apply for Wisconsin purposes at the same time as for federal purposes, except that
4 changes made by sections 20101, 20102, 20104, 20201, 40201, 40202, 40203, 40308,
5 40309, 40311, 40414, 41101, 41107, 41114, 41115, and 41116 of P.L. 115-123; section
6 101 (a), (b), and (h) of division U of P.L. 115-141; section 1203 of P.L. 116-25; section
7 1122 of P.L. 116-92; section 301 of division O, section 1302 of division P, and sections
8 101, 102, 103, 117, 118, 132, 201, 202 (a), (b), and (c), 204 (a), (b), and (c), 301, and
9 302 of division Q of P.L. 116-94; section 2 of P.L. 116-98; and sections 301, 302, and
10 304 of division EE of P.L. 116-260 apply for taxable years beginning after December
11 31, 2020.

12 **SECTION 56.** 71.22 (5g) of the statutes is created to read:

13 71.22 (5g) For purposes of s. 71.22 (4) (b) and (4m) (b), 2013 stats., “Internal
14 Revenue Code” includes section 109 of division U of P.L. 115-141.

15 **SECTION 57.** 71.26 (2) (a) 13. of the statutes is created to read:

16 71.26 (2) (a) 13. For taxable years beginning after December 31, 2018, plus the
17 amount of the deductions in excess of \$250,000 for expenses paid or incurred in the
18 taxable year directly or indirectly from forgiven loans under sections 276 (a) and (b)
19 and 278 (a) of Division N of P.L. 116-260.

20 **SECTION 58.** 71.26 (2) (b) 3., 4., 5., 6., 7., 8. and 9. of the statutes are repealed.

21 **SECTION 59.** 71.26 (2) (b) 10. d. of the statutes is amended to read:

22 71.26 (2) (b) 10. d. For purposes of subd. 10. a., “Internal Revenue Code” does
23 not include amendments to the federal Internal Revenue Code enacted after
24 December 31, 2013, except that “Internal Revenue Code” includes the provisions of
25 P.L. 113-97, P.L. 113-159, P.L. 113-168, section 302901 of P.L. 113-287, sections 171,

1 172, and 201 to 221 of P.L. 113-295, sections 102, 105, and 207 of division B of P.L.
2 113-295, P.L. 114-14, P.L. 114-26, section 2004 of P.L. 114-41, sections 503 and 504
3 of P.L. 114-74, sections 103, 104, 124, 168, 184, 185, 190, 204, 303, 306, 336, and 341
4 of division Q of P.L. 114-113, and P.L. 114-239, sections 101 (m), (n), (o), (p), and (q),
5 104 (a), and 109 of division U of P.L. 115-141, and section 102 of division M and
6 sections 110, 111, and 116 (b) of division O of P.L. 116-94.

7 **SECTION 60.** 71.26 (2) (b) 11. d. of the statutes is amended to read:

8 71.26 (2) (b) 11. d. For purposes of subd. 11. a., “Internal Revenue Code” does
9 not include amendments to the federal Internal Revenue Code enacted after
10 December 31, 2016, except that “Internal Revenue Code” includes sections 11024,
11 11025, and 13543 of P.L. 115-97; sections 40307 and 40413 of P.L. 115-123; sections
12 101 (m), (n), (o), (p), and (q), 104 (a), and 109 of division U of P.L. 115-141; and section
13 102 of division M and sections 110, 111, and 116 (b) of division O of P.L. 116-94.

14 **SECTION 61.** 71.26 (2) (b) 12. a. of the statutes is amended to read:

15 71.26 (2) (b) 12. a. For taxable years beginning after December 31, 2017, and
16 before January 1, 2021, for a corporation, conduit, or common law trust which
17 qualifies as a regulated investment company, real estate mortgage investment
18 conduit, real estate investment trust, or financial asset securitization investment
19 trust under the Internal Revenue Code, “net income” means the federal regulated
20 investment company taxable income, federal real estate mortgage investment
21 conduit taxable income, federal real estate investment trust or financial asset
22 securitization investment trust taxable income of the corporation, conduit, or trust
23 as determined under the Internal Revenue Code.

24 **SECTION 62.** 71.26 (2) (b) 12. d. of the statutes is amended to read:

1 71.26 (2) (b) 12. d. For purposes of subd. 12. a., “Internal Revenue Code” does
2 not include amendments to the federal Internal Revenue Code enacted after
3 December 31, 2017, except that “Internal Revenue Code” includes sections 40307,
4 40413, and 41113 of P.L. 115-123; sections 101 (m), (n), (o), (p), and (q), 104 (a), 109,
5 401 (a) (54) and (b) (15) (A), (B), and (C), 19, 20, 23, 26, 27, and 28 of division U of P.L.
6 115-141; sections 102 and 104 of division M, sections 102, 103, 106, 107, 108, 109,
7 110, 111, 113, 114, 115, 116, 201, 204, 205, 206, 302, 401, and 601 of division O, section
8 1302 of division P, and sections 131, 202 (d), and 205 of division Q of P.L. 116-94;
9 sections 1106, 2202, 2203, 2204, 2205, 2206, 2307, 3608, 3609, 3701, and 3702 of
10 division A of P.L. 116-136; and sections 202, 208, 209, 211, and 214 of division EE and
11 sections 276 (a) and (b), 277, 278 (a), (b), (c), and (d), 280, and 285 of division N of P.L.
12 116-260.

13 **SECTION 63.** 71.26 (2) (b) 12. e. of the statutes is amended to read:

14 71.26 (2) (b) 12. e. For purposes of subd. 12. a., the provisions of federal public
15 laws that directly or indirectly affect the Internal Revenue Code, as defined in this
16 subdivision, apply for Wisconsin purposes at the same time as for federal purposes,
17 except that changes made by P.L. 115-63 and sections 11026, 11027, 11028, 13207,
18 13306, 13307, 13308, 13311, 13312, 13501, 13705, 13821, and 13823 of P.L. 115-97
19 first apply for taxable years beginning after December 31, 2017.

20 **SECTION 64.** 71.26 (2) (b) 13. of the statutes is created to read:

21 71.26 (2) (b) 13. a. For taxable years beginning after December 31, 2020, for a
22 corporation, conduit, or common law trust that qualifies as a regulated investment
23 company, real estate mortgage investment conduit, real estate investment trust, or
24 financial asset securitization investment trust under the Internal Revenue Code,
25 “net income” means the federal regulated investment company taxable income,

1 federal real estate mortgage investment conduit taxable income, federal real estate
2 investment trust, or financial asset securitization investment trust taxable income
3 of the corporation, conduit, or trust as determined under the Internal Revenue Code.

4 b. For purposes of subd. 13. a., “Internal Revenue Code” means the federal
5 Internal Revenue Code as amended to December 31, 2020, except as provided in
6 subd. 13. c. and d. and s. 71.98 and subject to subd. 13. e.

7 c. For purposes of subd. 13. a., “Internal Revenue Code” does not include the
8 following provisions of federal public laws for taxable years beginning after
9 December 31, 2020: section 13113 of P.L. 103-66; sections 1, 3, 4, and 5 of P.L.
10 106-519; sections 101, 102, and 422 of P.L. 108-357; sections 1310 and 1351 of P.L.
11 109-58; section 11146 of P.L. 109-59; section 403 (q) of P.L. 109-135; section 513 of
12 P.L. 109-222; sections 104 and 307 of P.L. 109-432; sections 8233 and 8235 of P.L.
13 110-28; section 11 (e) and (g) of P.L. 110-172; section 301 of P.L. 110-245; section
14 15351 of P.L. 110-246; section 302 of division A, section 401 of division B, and sections
15 312, 322, 502 (c), 707, and 801 of division C of P.L. 110-343; sections 1232, 1241, 1251,
16 1501, and 1502 of division B of P.L. 111-5; sections 211, 212, 213, 214, and 216 of P.L.
17 111-226; sections 2011 and 2122 of P.L. 111-240; sections 753, 754, and 760 of P.L.
18 111-312; section 1106 of P.L. 112-95; sections 104, 318, 322, 323, 324, 326, 327, and
19 411 of P.L. 112-240; P.L. 114-7; section 1101 of P.L. 114-74; section 305 of division
20 P of P.L. 114-113; sections 123, 125 to 128, 143, 144, 151 to 153, 165 to 167, 169 to
21 171, 189, 191, 307, 326, and 411 of division Q of P.L. 114-113; sections 11011, 11012,
22 13201 (a) to (e) and (g), 13206, 13221, 13301, 13304 (a), (b), and (d), 13531, 13601,
23 13801, 14101, 14102, 14103, 14201, 14202, 14211, 14212, 14213, 14214, 14215,
24 14221, 14222, 14301, 14302, 14304, and 14401 of P.L. 115-97; sections 40304, 40305,
25 40306, and 40412 of P.L. 115-123; section 101 (c) of division T of P.L. 115-141;

1 sections 101 (d) and (e), 102, 201 to 207, 301, 302, and 401 (a) (47) and (195), (b) (13),
2 (17), (22) and (30), and (d) (1) (D) (v), (vi), and (xiii) and (xvii) (II) of division U of P.L.
3 115-141; sections 104, 114, 115, 116, 130, and 145 of division Q of P.L. 116-94;
4 sections 2304 and 2306 of P.L. 116-136; and sections 111, 114, 115, 116, 118 (a) and
5 (d), 133, 137, 138, and 210 of division EE of P.L. 116-260.

6 d. For purposes of subd. 13. a., “Internal Revenue Code” does not include
7 amendments to the federal Internal Revenue Code enacted after December 31, 2020.

8 e. For purposes of subd. 13. a., the provisions of federal public laws that directly
9 or indirectly affect the Internal Revenue Code, as defined in this subdivision, apply
10 for Wisconsin purposes at the same time as for federal purposes, except that changes
11 made by sections 20101, 20102, 20104, 20201, 40201, 40202, 40203, 40308, 40309,
12 40311, 40414, 41101, 41107, 41114, 41115, and 41116 of P.L. 115-123; section 101 (a),
13 (b), and (h) of division U of P.L. 115-141; section 1203 of P.L. 116-25; section 1122 of
14 P.L. 116-92; section 301 of division O, section 1302 of division P, and sections 101,
15 102, 103, 117, 118, 132, 201, 202 (a), (b), and (c), 204 (a), (b), and (c), 301, and 302 of
16 division Q of P.L. 116-94; section 2 of P.L. 116-98; and sections 301, 302, and 304 of
17 division EE of P.L. 116-260 apply for taxable years beginning after December 31,
18 2020.

19 **SECTION 65.** 71.26 (2) (b) 14. of the statutes is created to read:

20 71.26 (2) (b) 14. For purposes of s. 71.26 (2) (b) 2., 2013 stats., “Internal Revenue
21 Code” includes section 109 of division U of P.L. 115-141.

22 **SECTION 66.** 71.26 (3) (ag) of the statutes is renumbered 71.26 (3) (ag) (intro.)
23 and amended to read:

24 71.26 (3) (ag) (intro.) Section 61 (relating to the definition of gross income) is
25 modified to exclude ~~income~~ the following:

1 1. Income received by the original policyholder or original certificate holder
2 who has a catastrophic or life-threatening illness or condition from the sale of a life
3 insurance policy or certificate, or the sale of the death benefit under a life insurance
4 policy or certificate, under a life settlement contract, as defined in s. 632.69 (1) (k).
5 In this paragraph, “catastrophic or life-threatening illness or condition” includes
6 AIDS, as defined in s. 49.686 (1) (a), and HIV infection, as defined in s. 49.686 (1) (d).

7 **SECTION 67.** 71.26 (3) (ag) 2. of the statutes is created to read:

8 71.26 (3) (ag) 2. Income received in the form of a grant issued under s. 73.135.

9 **SECTION 68.** 71.26 (3) (ag) 3. of the statutes is created to read:

10 71.26 (3) (ag) 3. Income received in the form of a grant issued by the state with
11 moneys received from the coronavirus relief fund authorized under 42 USC 801 and
12 income in the form of a grant issued by a state agency or the Wisconsin Economic
13 Development Corporation during and related to the COVID-19 pandemic, including
14 grants awarded under the ethnic minority emergency grant program. Amounts
15 otherwise deductible under this chapter that are paid directly or indirectly with the
16 grant money are deductible.

17 **SECTION 69.** 71.26 (3) (L) of the statutes is amended to read:

18 71.26 (3) (L) Section 265 is excluded and replaced by the rule that any amount
19 otherwise deductible under this chapter that is directly or indirectly related to
20 income wholly exempt from taxes imposed by this chapter or to losses from the sale
21 or other disposition of assets the gain from which would be exempt under this
22 paragraph if the assets were sold or otherwise disposed of at a gain is not deductible.
23 In this paragraph, “wholly exempt income”, for corporations subject to franchise or
24 income taxes, includes amounts received from affiliated or subsidiary corporations
25 for interest, dividends or capital gains that, because of the degree of common

1 ownership, control or management between the payor and payee, are not subject to
2 taxes under this chapter. In this paragraph, “wholly exempt income”, for
3 corporations subject to income taxation under this chapter, also includes interest on
4 obligations of the United States. In this paragraph, “wholly exempt income” does not
5 include income excludable, not recognized, exempt or deductible under specific
6 provisions of this chapter. If any expense or amount otherwise deductible is
7 indirectly related both to wholly exempt income or loss and to other income or loss,
8 a reasonable proportion of the expense or amount shall be allocated to each type of
9 income or loss, in light of all the facts and circumstances. This paragraph does not
10 apply to the exclusion under par. (ag) 2. and 3.

11 **SECTION 70.** 71.28 (6) (h) of the statutes is amended to read:

12 71.28 (6) (h) Any person, including a nonprofit entity described in section 501
13 (c) (3) of the Internal Revenue Code, may sell or otherwise transfer the credit under
14 par. (a) 2m. or 3., in whole or in part, to another person who is subject to the taxes
15 imposed under s. 71.02, 71.23, or 71.43, if the person notifies the department of the
16 transfer, and submits with the notification a copy of the transfer documents, and the
17 department certifies ownership of the credit with each transfer. The transferor may
18 file a claim for more than one taxable year on a form prescribed by the department
19 to compute all years of the credit under par. (a) 2m. or 3., at the time of the transfer
20 request. The transferee may first use the credit to offset tax in the taxable year of the
21 transferor in which the transfer occurs, and may use the credit only to offset tax in
22 taxable years otherwise allowed to be claimed and carried forward by the original
23 claimant.

24 **SECTION 71.** 71.34 (1g) (c), (d), (e), (f), (g), (h) and (i) of the statutes are repealed.

25 **SECTION 72.** 71.34 (1g) (j) 3. m. of the statutes is created to read:

1 71.34 **(1g)** (j) 3. m. Sections 101 (m), (n), (o), (p), and (q), 104 (a), and 109 of
2 division U of P.L. 115-141.

3 **SECTION 73.** 71.34 (1g) (j) 3. n. of the statutes is created to read:

4 71.34 **(1g)** (j) 3. n. Section 102 of division M and sections 110, 111, and 116 (b)
5 of division O of P.L. 116-94.

6 **SECTION 74.** 71.34 (1g) (k) 3. of the statutes is amended to read:

7 71.34 **(1g)** (k) 3. For purposes of this paragraph, “Internal Revenue Code” does
8 not include amendments to the federal Internal Revenue Code enacted after
9 December 31, 2016, except that “Internal Revenue Code” includes sections 11024,
10 11025, and 13543 of P.L. 115-97; sections 40307 and 40413 of P.L. 115-123; sections
11 101 (m), (n), (o), (p), and (q), 104 (a), and 109 of division U of P.L. 115-141; and section
12 102 of division M and sections 110, 111, and 116 (b) of division O of P.L. 116-94.

13 **SECTION 75.** 71.34 (1g) (L) 1. of the statutes is amended to read:

14 71.34 **(1g)** (L) 1. For taxable years beginning after December 31, 2017, and
15 before January 1, 2021, for tax option corporations, “Internal Revenue Code” means
16 the federal Internal Revenue Code as amended to December 31, 2017, except as
17 provided in subds. 2., 3., and 5. and s. 71.98 and subject to subd. 4.

18 **SECTION 76.** 71.34 (1g) (L) 3. of the statutes is amended to read:

19 71.34 **(1g)** (L) 3. For purposes of this paragraph, “Internal Revenue Code” does
20 not include amendments to the federal Internal Revenue Code enacted after
21 December 31, 2017, except that “Internal Revenue Code” includes sections 40307,
22 40413, and 41113 of P.L. 115-123; sections 101 (m), (n), (o), (p), and (q), 104 (a), 109,
23 401 (a) (54) and (b) (15) (A), (B), and (C), 19, 20, 23, 26, 27, and 28 of division U of P.L.
24 115-141; sections 102 and 104 of division M, sections 102, 103, 106, 107, 108, 109,
25 110, 111, 113, 114, 115, 116, 201, 204, 205, 206, 302, 401, and 601 of division O, section

1 1302 of division P, and sections 131, 202 (d), and 205 of division Q of P.L. 116-94;
2 sections 1106, 2202, 2203, 2204, 2205, 2206, 2307, 3608, 3609, 3701, and 3702 of
3 division A of P.L. 116-136; and sections 202, 208, 209, 211, and 214 of division EE and
4 sections 276 (a) and (b), 277, 278 (a), (b), (c), and (d), 280, and 285 of division N of P.L.
5 116-260.

6 **SECTION 77.** 71.34 (1g) (L) 4. of the statutes is amended to read:

7 71.34 (1g) (L) 4. For purposes of this paragraph, the provisions of federal public
8 laws that directly or indirectly affect the Internal Revenue Code, as defined in this
9 paragraph, apply for Wisconsin purposes at the same time as for federal purposes,
10 except that changes made by P.L. 115-63 and sections 11026, 11027, 11028, 13207,
11 13306, 13307, 13308, 13311, 13312, 13501, 13705, 13821, and 13823 of P.L. 115-97
12 first apply for taxable years beginning after December 31, 2017.

13 **SECTION 78.** 71.34 (1g) (m) of the statutes is created to read:

14 71.34 (1g) (m) 1. For taxable years beginning after December 31, 2020, for tax
15 option corporations, “Internal Revenue Code” means the federal Internal Revenue
16 Code as amended to December 31, 2020, except as provided in subds. 2., 3., and 5. and
17 s. 71.98 and subject to subd. 4.

18 2. For purposes of this paragraph, “Internal Revenue Code” does not include
19 the following provisions of federal public laws for taxable years beginning after
20 December 31, 2020: section 13113 of P.L. 103-66; sections 1, 3, 4, and 5 of P.L.
21 106-519; sections 101, 102, and 422 of P.L. 108-357; sections 1310 and 1351 of P.L.
22 109-58; section 11146 of P.L. 109-59; section 403 (q) of P.L. 109-135; section 513 of
23 P.L. 109-222; sections 104 and 307 of P.L. 109-432; sections 8233 and 8235 of P.L.
24 110-28; section 11 (e) and (g) of P.L. 110-172; section 301 of P.L. 110-245; section
25 15351 of P.L. 110-246; section 302 of division A, section 401 of division B, and sections

1 312, 322, 502 (c), 707, and 801 of division C of P.L. 110-343; sections 1232, 1241, 1251,
2 1501, and 1502 of division B of P.L. 111-5; sections 211, 212, 213, 214, and 216 of P.L.
3 111-226; sections 2011 and 2122 of P.L. 111-240; sections 753, 754, and 760 of P.L.
4 111-312; section 1106 of P.L. 112-95; sections 104, 318, 322, 323, 324, 326, 327, and
5 411 of P.L. 112-240; P.L. 114-7; section 1101 of P.L. 114-74; section 305 of division
6 P of P.L. 114-113; sections 123, 125 to 128, 143, 144, 151 to 153, 165 to 167, 169 to
7 171, 189, 191, 307, 326, and 411 of division Q of P.L. 114-113; sections 11011, 11012,
8 13201 (a) to (e) and (g), 13206, 13221, 13301, 13304 (a), (b), and (d), 13531, 13601,
9 13801, 14101, 14102, 14103, 14201, 14202, 14211, 14212, 14213, 14214, 14215,
10 14221, 14222, 14301, 14302, 14304, and 14401 of P.L. 115-97; sections 40304, 40305,
11 40306, and 40412 of P.L. 115-123; section 101 (c) of division T of P.L. 115-141;
12 sections 101 (d) and (e), 102, 201 to 207, 301, 302, and 401 (a) (47) and (195), (b) (13),
13 (17), (22) and (30), and (d) (1) (D) (v), (vi), and (xiii) and (xvii) (II) of division U of P.L.
14 115-141; sections 104, 114, 115, 116, 130, and 145 of division Q of P.L. 116-94;
15 sections 2304 and 2306 of P.L. 116-136; and sections 111, 114, 115, 116, 118 (a) and
16 (d), 133, 137, 138, and 210 of division EE of P.L. 116-260.

17 3. For purposes of this paragraph, “Internal Revenue Code” does not include
18 amendments to the federal Internal Revenue Code enacted after December 31, 2020.

19 4. For purposes of this paragraph, the provisions of federal public laws that
20 directly or indirectly affect the Internal Revenue Code, as defined in this paragraph,
21 apply for Wisconsin purposes at the same time as for federal purposes, except that
22 changes made by sections 20101, 20102, 20104, 20201, 40201, 40202, 40203, 40308,
23 40309, 40311, 40414, 41101, 41107, 41114, 41115, and 41116 of P.L. 115-123; section
24 101 (a), (b), and (h) of division U of P.L. 115-141; section 1203 of P.L. 116-25; section
25 1122 of P.L. 116-92; section 301 of division O, section 1302 of division P, and sections

1 101, 102, 103, 117, 118, 132, 201, 202 (a), (b), and (c), 204 (a), (b), and (c), 301, and
2 302 of division Q of P.L. 116-94; section 2 of P.L. 116-98; and sections 301, 302, and
3 304 of division EE of P.L. 116-260 apply for taxable years beginning after December
4 31, 2020.

5 5. For purposes of this paragraph, section 1366 (f) of the Internal Revenue Code
6 (relating to pass-through of items to shareholders) is modified by substituting the
7 tax under s. 71.35 for the taxes under sections 1374 and 1375 of the Internal Revenue
8 Code.

9 **SECTION 79.** 71.34 (1k) (af) of the statutes is created to read:

10 71.34 (1k) (af) Section 61 of the Internal Revenue Code is modified so that
11 income received in the form of a grant issued under s. 73.135 is not taxable income.

12 **SECTION 80.** 71.34 (1k) (ah) of the statutes is created to read:

13 71.34 (1k) (ah) Section 61 of the Internal Revenue Code is modified so that
14 income received in the form of a grant issued by the state with moneys received from
15 the coronavirus relief fund authorized under 42 USC 801 and income in the form of
16 a grant issued by a state agency or the Wisconsin Economic Development
17 Corporation during and related to the COVID-19 pandemic, including grants
18 awarded under the ethnic minority emergency grant program, is not taxable income.
19 Amounts otherwise deductible under this chapter that are paid directly or indirectly
20 with the grant money are deductible.

21 **SECTION 81.** 71.34 (1k) (q) of the statutes is created to read:

22 71.34 (1k) (q) For taxable years beginning after December 31, 2018, an addition
23 shall be made for the amount of the deductions in excess of \$250,000 for expenses
24 paid or incurred in the taxable year directly or indirectly from forgiven loans under
25 sections 276 (a) and (b) and 278 (a) of Division N of P.L. 116-260.

1 **SECTION 82.** 71.34 (1u) of the statutes is created to read:

2 71.34 **(1u)** For purposes of s. 71.34 (1g) (b), 2013 stats., “Internal Revenue
3 Code” includes section 109 of division U of P.L. 115-141.

4 **SECTION 83.** 71.42 (2) (c), (d), (e), (f), (g), (h) and (i) of the statutes are repealed.

5 **SECTION 84.** 71.42 (2) (j) 3. m. of the statutes is created to read:

6 71.42 **(2)** (j) 3. m. Sections 101 (m), (n), (o), (p), and (q), 104 (a), and 109 of
7 division U of P.L. 115-141.

8 **SECTION 85.** 71.42 (2) (j) 3. n. of the statutes is created to read:

9 71.42 **(2)** (j) 3. n. Section 102 of division M and sections 110, 111, and 116 (b)
10 of division O of P.L. 116-94.

11 **SECTION 86.** 71.42 (2) (k) 3. of the statutes is amended to read:

12 71.42 **(2)** (k) 3. For purposes of this paragraph, “Internal Revenue Code” does
13 not include amendments to the federal Internal Revenue Code enacted after
14 December 31, 2016, except that “Internal Revenue Code” includes sections 11024,
15 11025, and 13543 of P.L. 115-97; sections 40307 and 40413 of P.L. 115-123; sections
16 101 (m), (n), (o), (p), and (q), 104 (a), and 109 of division U of P.L. 115-141; and section
17 102 of division M and sections 110, 111, and 116 (b) of division O of P.L. 116-94.

18 **SECTION 87.** 71.42 (2) (L) 1. of the statutes is amended to read:

19 71.42 **(2)** (L) 1. For taxable years beginning after December 31, 2017, and
20 before January 1, 2021, “Internal Revenue Code” means the federal Internal
21 Revenue Code as amended to December 31, 2017, except as provided in subds. 2. to
22 4. and s. 71.98 and subject to subd. 5.

23 **SECTION 88.** 71.42 (2) (L) 3. of the statutes is amended to read:

24 71.42 **(2)** (L) 3. For purposes of this paragraph, “Internal Revenue Code” does
25 not include amendments to the federal Internal Revenue Code enacted after

1 December 31, 2017, except that “Internal Revenue Code” includes sections 40307,
2 40413, and 41113 of P.L. 115-123; sections 101 (m), (n), (o), (p), and (q), 104 (a), 109,
3 401 (a) (54) and (b) (15) (A), (B), and (C), 19, 20, 23, 26, 27, and 28 of division U of P.L.
4 115-141; sections 102 and 104 of division M, sections 102, 103, 106, 107, 108, 109,
5 110, 111, 113, 114, 115, 116, 201, 204, 205, 206, 302, 401, and 601 of division O, section
6 1302 of division P, and sections 131, 202 (d), and 205 of division Q of P.L. 116-94;
7 sections 1106, 2202, 2203, 2204, 2205, 2206, 2307, 3608, 3609, 3701, and 3702 of
8 division A of P.L. 116-136; and sections 202, 208, 209, 211, and 214 of division EE and
9 sections 276 (a) and (b), 277, 278 (a), (b), (c), and (d), 280, and 285 of division N of P.L.
10 116-260.

11 **SECTION 89.** 71.42 (2) (L) 5. of the statutes is amended to read:

12 71.42 (2) (L) 5. For purposes of this paragraph, the provisions of federal public
13 laws that directly or indirectly affect the Internal Revenue Code, as defined in this
14 paragraph, apply for Wisconsin purposes at the same time as for federal purposes,
15 except that changes made by P.L. 115-63 and sections 11026, 11027, 11028, 13207,
16 13306, 13307, 13308, 13311, 13312, 13501, 13705, 13821, and 13823 of P.L. 115-97
17 first apply for taxable years beginning after December 31, 2017.

18 **SECTION 90.** 71.42 (2) (m) of the statutes is created to read:

19 71.42 (2) (m) 1. For taxable years beginning after December 31, 2020, “Internal
20 Revenue Code” means the federal Internal Revenue Code as amended to December
21 31, 2020, except as provided in subds. 2. and 3. and s. 71.98 and subject to subd. 4.

22 2. For purposes of this paragraph, “Internal Revenue Code” does not include
23 the following provisions of federal public laws for taxable years beginning after
24 December 31, 2020: section 13113 of P.L. 103-66; sections 1, 3, 4, and 5 of P.L.
25 106-519; sections 101, 102, and 422 of P.L. 108-357; sections 1310 and 1351 of P.L.

1 109-58; section 11146 of P.L. 109-59; section 403 (q) of P.L. 109-135; section 513 of
2 P.L. 109-222; sections 104 and 307 of P.L. 109-432; sections 8233 and 8235 of P.L.
3 110-28; section 11 (e) and (g) of P.L. 110-172; section 301 of P.L. 110-245; section
4 15351 of P.L. 110-246; section 302 of division A, section 401 of division B, and sections
5 312, 322, 502 (c), 707, and 801 of division C of P.L. 110-343; sections 1232, 1241, 1251,
6 1501, and 1502 of division B of P.L. 111-5; sections 211, 212, 213, 214, and 216 of P.L.
7 111-226; sections 2011 and 2122 of P.L. 111-240; sections 753, 754, and 760 of P.L.
8 111-312; section 1106 of P.L. 112-95; sections 104, 318, 322, 323, 324, 326, 327, and
9 411 of P.L. 112-240; P.L. 114-7; section 1101 of P.L. 114-74; section 305 of division
10 P of P.L. 114-113; sections 123, 125 to 128, 143, 144, 151 to 153, 165 to 167, 169 to
11 171, 189, 191, 307, 326, and 411 of division Q of P.L. 114-113; sections 11011, 11012,
12 13201 (a) to (e) and (g), 13206, 13221, 13301, 13304 (a), (b), and (d), 13531, 13601,
13 13801, 14101, 14102, 14103, 14201, 14202, 14211, 14212, 14213, 14214, 14215,
14 14221, 14222, 14301, 14302, 14304, and 14401 of P.L. 115-97; sections 40304, 40305,
15 40306, and 40412 of P.L. 115-123; section 101 (c) of division T of P.L. 115-141;
16 sections 101 (d) and (e), 102, 201 to 207, 301, 302, and 401 (a) (47) and (195), (b) (13),
17 (17), (22) and (30), and (d) (1) (D) (v), (vi), and (xiii) and (xvii) (II) of division U of P.L.
18 115-141; sections 104, 114, 115, 116, 130, and 145 of division Q of P.L. 116-94;
19 sections 2304 and 2306 of P.L. 116-136; and sections 111, 114, 115, 116, 118 (a) and
20 (d), 133, 137, 138, and 210 of division EE of P.L. 116-260.

21 3. For purposes of this paragraph, “Internal Revenue Code” does not include
22 amendments to the federal Internal Revenue Code enacted after December 31, 2020.

23 4. For purposes of this paragraph, the provisions of federal public laws that
24 directly or indirectly affect the Internal Revenue Code, as defined in this paragraph,
25 apply for Wisconsin purposes at the same time as for federal purposes, except that

1 changes made by sections 20101, 20102, 20104, 20201, 40201, 40202, 40203, 40308,
2 40309, 40311, 40414, 41101, 41107, 41114, 41115, and 41116 of P.L. 115-123; section
3 101 (a), (b), and (h) of division U of P.L. 115-141; section 1203 of 116-25; section 1122
4 of P.L. 116-92; section 301 of division O, section 1302 of division P, and sections 101,
5 102, 103, 117, 118, 132, 201, 202 (a), (b), and (c), 204 (a), (b), and (c), 301, and 302 of
6 division Q of P.L. 116-94; section 2 of P.L. 116-98; and sections 301, 302, and 304 of
7 division EE of P.L. 116-260 apply for taxable years beginning after December 31,
8 2020.

9 **SECTION 91.** 71.42 (2p) of the statutes is created to read:

10 71.42 (2p) For purposes of s. 71.42 (2) (b), 2013 stats., “Internal Revenue Code”
11 includes section 109 of division U of P.L. 115-141.

12 **SECTION 92.** 71.45 (1) (d) of the statutes is created to read:

13 71.45 (1) (d) Income received in the form of a grant issued by under s. 73.135.

14 **SECTION 93.** 71.45 (1) (dm) of the statutes is created to read:

15 71.45 (1) (dm) Income received in the form of a grant issued by the state with
16 moneys received from the coronavirus relief fund authorized under 42 USC 801 and
17 income in the form of a grant issued by a state agency or the Wisconsin Economic
18 Development Corporation during and related to the COVID-19 pandemic, including
19 grants awarded under the ethnic minority emergency grant program. Amounts
20 otherwise deductible under this chapter that are paid directly or indirectly with the
21 grant money are deductible.

22 **SECTION 94.** 71.45 (2) (a) 22. of the statutes is created to read:

23 71.45 (2) (a) 22. For taxable years beginning after December 31, 2018, by
24 adding to federal taxable income the amount of the deductions in excess of \$250,000

1 for expenses paid or incurred in the taxable year directly or indirectly from forgiven
2 loans under sections 276 (a) and (b) and 278 (a) of Division N of P.L. 116-260.

3 **SECTION 95.** 71.45 (2) (a) 23. of the statutes is created to read:

4 71.45 (2) (a) 23. By subtracting from federal taxable income, to the extent
5 included in federal taxable income, income received in the form of a grant issued
6 under s. 73.135.

7 **SECTION 96.** 71.45 (2) (a) 24. of the statutes is created to read:

8 71.45 (2) (a) 24. By subtracting from federal taxable income, to the extent
9 included in federal taxable income, income received in the form of a grant issued by
10 the state with moneys received from the coronavirus relief fund authorized under 42
11 USC 801 and income in the form of a grant issued by a state agency or the Wisconsin
12 Economic Development Corporation during and related to the COVID-19 pandemic,
13 including grants awarded under the ethnic minority emergency grant program.
14 Amounts otherwise deductible under this chapter that are paid directly or indirectly
15 with the grant money are deductible.

16 **SECTION 97.** 71.47 (6) (h) of the statutes is amended to read:

17 71.47 (6) (h) Any person, including a nonprofit entity described in section 501
18 (c) (3) of the Internal Revenue Code, may sell or otherwise transfer the credit under
19 par. (a) 2m. or 3., in whole or in part, to another person who is subject to the taxes
20 imposed under s. 71.02, 71.23, or 71.43, if the person notifies the department of the
21 transfer, and submits with the notification a copy of the transfer documents, and the
22 department certifies ownership of the credit with each transfer. The transferor may
23 file a claim for more than one taxable year on a form prescribed by the department
24 to compute all years of the credit under par. (a) 2m. or 3., at the time of the transfer
25 request. The transferee may first use the credit to offset tax in the taxable year of the

1 transferor in which the transfer occurs, and may use the credit only to offset tax in
2 taxable years otherwise allowed to be claimed and carried forward by the original
3 claimant.

4 **SECTION 98.** 71.52 (1g) of the statutes is created to read:

5 71.52 (1g) “Earned income” means wages, salaries, tips, and other employee
6 compensation that may be included in federal adjusted gross income for the taxable
7 year, plus the amount of the claimant’s net earnings from self-employment for the
8 taxable year determined with regard to the deduction allowed to the taxpayer by
9 section 164 (f) of the Internal Revenue Code. For purposes of this subsection, a
10 claimant’s earned income is computed without regard to any marital property laws
11 and a claimant may elect to treat amounts excluded from federal adjusted gross
12 income as earned income, as provided under section 112 of the Internal Revenue
13 Code. “Earned income” does not include the following:

14 (a) Any amount received as a pension or annuity.

15 (b) Any amount to which section 871 (a) of the Internal Revenue Code applies.

16 (c) Any amount received for services provided by an individual while the
17 individual is an inmate at a penal institution.

18 (d) Any amount received for service performed in work activities under
19 paragraphs (4) or (7) of section 407 (d) of the Social Security Act to which the claimant
20 is assigned under any state program under part A of title IV of the Social Security
21 Act. This paragraph applies only to amounts subsidized under any such state
22 program.

23 **SECTION 99.** 71.55 (10) of the statutes is amended to read:

24 71.55 (10) FARMERS. Notwithstanding the provision in s. 71.52 (6) that requires
25 the addition of certain disqualified losses to income, such an addition may not be

1 made by a claimant who is a farmer whose primary income is from farming and
2 whose farming generates less than \$250,000 in gross receipts from the operation of
3 farm premises in the year to which the claim relates. For purposes of this subsection,
4 a claimant's primary income is from farming if the claimant's gross income from
5 farming for the year to which the claim relates is greater than 50 percent of the
6 claimant's total gross income from all sources for the year to which the claim relates.
7 In this subsection, "gross income" has the meaning given in s. 71.03 (1).

8 **SECTION 100.** 71.76 of the statutes is renumbered 71.76 (1) and amended to
9 read:

10 71.76 (1) If for any year the amount of federal net income tax payable, of a credit
11 claimed or carried forward, of a net operating loss carried forward or of a capital loss
12 carried forward of any taxpayer as reported to the internal revenue service is
13 changed or corrected by the internal revenue service or other officer of the United
14 States, such taxpayer shall report such changes or corrections to the department
15 within ~~90~~ 180 days after its final determination and shall concede the accuracy of
16 such determination or state how the determination is erroneous. Such changes or
17 corrections need not be reported unless they affect the amount of net tax payable
18 under this chapter, of a credit calculated under this chapter, of a Wisconsin net
19 operating loss carried forward, of a Wisconsin net business loss carried forward or
20 of a capital loss carried forward under this chapter. Any taxpayer submitting an
21 amended return to the internal revenue service, or to another state if there has been
22 allowed a credit against Wisconsin taxes for taxes paid to that state, shall also file,
23 within ~~90~~ 180 days of such filing date, an amended return if any information
24 contained on the amended return affects the amount of net tax payable under this
25 chapter of a credit calculated under this chapter, of a Wisconsin net operating loss

1 carried forward, of a Wisconsin net business loss carried forward or of a capital loss
2 carried forward under this chapter.

3 **SECTION 101.** 71.76 (2) of the statutes is created to read:

4 71.76 (2) In the case of any partnership adjustments, as defined under section
5 6241 of the Internal Revenue Code and including adjustments under section 6225
6 of the Internal Revenue Code, the partnership and its partners shall report such
7 changes or corrections to the department within 180 days after the final
8 determination by the internal revenue service and shall concede the accuracy of such
9 determination or state how the determination is erroneous. The partnership and its
10 partners shall submit amended returns, as applicable, for each reviewed year, as
11 defined under section 6225 of the Internal Revenue Code, to which such partnership
12 adjustments relate.

13 **SECTION 102.** 71.77 (7) (b) of the statutes is amended to read:

14 71.77 (7) (b) If notice of assessment or refund is given to the taxpayer within
15 90 180 days of the date on which the department receives a report from the taxpayer
16 under s. 71.76 or within such other period specified in a written agreement entered
17 into prior to the expiration of such 90 180 days by the taxpayer and the department.
18 If the taxpayer does not report to the department as required under s. 71.76, the
19 department may make an assessment against the taxpayer or refund to the taxpayer
20 within 4 years after discovery by the department.

21 **SECTION 103.** 71.83 (1) (a) 6. of the statutes is amended to read:

22 71.83 (1) (a) 6. 'Retirement plans.' Any natural person who is liable for a
23 penalty for federal income tax purposes under section 72 (m) (5), (q), (t), and (v), 4973,
24 4974, 4975, or 4980A of the Internal Revenue Code is liable for 33 percent of the
25 federal penalty unless the income received is exempt from taxation under s. 71.05

1 (1) (a) or ~~(ae)~~ (6) (b) 54. The penalties provided under this subdivision shall be
2 assessed, levied, and collected in the same manner as income or franchise taxes.

3 **SECTION 104.** 73.0305 of the statutes is amended to read:

4 **73.0305 Revenue limits calculations.** The department of revenue shall
5 annually determine and certify to the state superintendent of public instruction, ~~no~~
6 ~~later than the 4th Monday in June at the superintendent's request,~~ the allowable
7 rate of increase under subch. VII of ch. 121. The allowable rate of increase is the
8 percentage change, if not negative, in the consumer price index for all urban
9 consumers, U.S. city average, between the preceding March 31 and the 2nd
10 preceding March 31, as computed by the federal department of labor.

11 **SECTION 105.** 73.09 (4) (c) of the statutes is amended to read:

12 73.09 (4) (c) Recertification is contingent upon submission of an application for
13 renewal, at least 60 days before the expiration date of the current certificate,
14 attesting to the completion of the requirements specified in par. (b). Persons
15 applying for renewal on the basis of attendance at the meetings called by the
16 department under s. 73.06 (1) and by meeting continuing education requirements
17 shall submit a ~~\$20~~ recertification fee, in an amount determined by the department
18 not to exceed \$75, with their applications.

19 **SECTION 106.** 73.09 (5) of the statutes is amended to read:

20 73.09 (5) EXAMINATIONS. As provided in subs. (1) and (2), the department of
21 revenue shall prepare and administer examinations for each level of certification.
22 A person applying for an examination under this subsection shall submit ~~a \$20~~ an
23 examination fee with the person's application. If the department administers and
24 grades the examinations, the fee shall be the amount equal to the department's best
25 estimate of the actual cost to administer and grade the examinations, but no greater

1 than \$75. If a test service provider administers and grades the examinations, the fee
2 shall be the amount equal to the department's best estimate of the provider's actual
3 cost to administer and grade the examinations, but no greater than \$75. The
4 department of revenue shall grant certification to each person who passes the
5 examination for that level.

6 **SECTION 107.** 73.135 of the statutes is created to read:

7 **73.135 Grants to businesses harmed by the pandemic.** (1) The
8 department of revenue shall establish a program to make grants to businesses in this
9 state most affected by the COVID-19 pandemic, as determined by the department,
10 including restaurants, taverns, businesses that provide lodging, and small retailers.
11 The department shall make the grants from the appropriation account under s.
12 20.835 (2) (cd).

13 (2) (a) For the purpose of distributing grants under this section, the
14 department shall give preference to businesses that did not receive a loan under the
15 federal paycheck protection program, have no more than 300 employees, and can
16 demonstrate at least a 25 percent reduction in gross receipts between comparable
17 calendar quarters in 2019 and 2020.

18 (b) Receipt of a loan under the federal paycheck protection program does not
19 preclude receiving a grant under this section, but the department shall give
20 preference among the businesses that received loans to those who have no more than
21 300 employees and can demonstrate at least a 25 percent reduction in gross receipts
22 between comparable calendar quarters in 2019 and 2020.

23 (c) A business that does not meet the criteria for a preference under par. (a) or
24 (b) is not precluded from receiving a grant under this section.

25 (3) The department shall not award a grant to any of the following:

1 (a) A person that is a licensee, as defined in s. 138.14 (1) (i).

2 (b) A person that used the proceeds from a federal paycheck protection program
3 loan to retain employment for work that the person subsequently outsourced to
4 another person.

5 (c) A person that committed fraud with regard to obtaining a federal paycheck
6 protection program loan or using the proceeds from the loan.

7 (4) If the department determines that a grant recipient committed fraud as
8 described in sub. (3) (c), the department shall require repayment of the grant amount
9 and take all necessary steps to that end.

10 **SECTION 108.** 74.315 (1) of the statutes is amended to read:

11 74.315 (1) SUBMISSION. No later than October 1 of each year, the taxation
12 district clerk shall submit to the department of revenue, on a form prescribed by the
13 department, a listing of all the omitted taxes under s. 70.44 to be included on the
14 taxation district's next tax roll, if the total of all such omitted taxes exceeds \$5,000
15 for any single description of property are \$250 or more.

16 **SECTION 109.** 74.315 (1m) of the statutes is created to read:

17 74.315 (1m) AMOUNT COLLECTED FROM PROPERTY IN A TAX INCREMENTAL DISTRICT.
18 A tax may not be included on a form submitted under sub. (1) if the tax was levied
19 on a property within a tax incremental district, as defined in s. 60.85 (1) (n) or 66.1105
20 (2) (k), unless the current value of the tax incremental district is lower than the tax
21 incremental base, as defined in s. 60.85 (1) (m) or 66.1105 (2) (j), in the assessment
22 year for which the tax was collected.

23 **SECTION 110.** 74.315 (2) of the statutes is amended to read:

24 74.315 (2) ~~EQUALIZED VALUATION~~ AMOUNT DETERMINED. After receiving the form
25 under sub. (1), but no later than November 15, the department of revenue shall

1 determine the amount of ~~any change in the taxation district's equalized valuation~~
2 ~~that results from considering the valuation represented by the taxes described under~~
3 ~~sub. (1) taxes to be shared with each taxing jurisdiction for which the taxation district~~
4 ~~collected taxes and determine the amount of taxes collected under s. 70.44 to be~~
5 ~~shared with each taxing jurisdiction for which the taxation district collected taxes.~~

6 The department's determination under this subsection is subject to review only
7 under s. 227.53.

8 **SECTION 111.** 74.315 (3) of the statutes is amended to read:

9 74.315 (3) NOTICE AND DISTRIBUTION. ~~If the department of revenue determines~~
10 ~~under sub. (2) that the taxation district's equalized valuation changed as a result of~~
11 ~~considering the valuation represented by the taxes described under sub. (1), the~~ The
12 department shall notify the taxation district and the taxation district shall distribute
13 the ~~resulting~~ collections under ss. 74.23 (1) (a) 5., 74.25 (1) (a) 4m., and 74.30 (1) (dm)
14 resulting from the determinations made under sub. (2).

15 **SECTION 112.** 76.04 (1) of the statutes is amended to read:

16 76.04 (1) Every company defined in s. 76.02 shall, annually, file a true and
17 accurate statement in such manner and form and setting forth such facts as the
18 department shall deem necessary to enforce ss. 76.01 to 76.26. The annual reports
19 ~~for railroad companies shall be filed on or before April 15 and for conservation and~~
20 ~~regulation companies, air carriers and pipeline companies on or before May 1.~~

21 **SECTION 113.** 76.07 (1) of the statutes is amended to read:

22 76.07 (1) DUTY OF DEPARTMENT. The department on or before ~~August 1~~
23 September 15 in each year in the case of ~~railroad companies, and on or before~~
24 ~~September 15 in the case of air carrier companies, conservation and regulation~~
25 ~~companies and pipeline companies, shall, according to its best knowledge and~~

1 judgment, ascertain and determine the full market value of the property of each
2 company within the state.

3 **SECTION 114.** 76.075 of the statutes is amended to read:

4 **76.075 Adjustments of assessments.** Within 4 years after the due date, or
5 extended due date, of the report under s. 76.04, any person subject to taxation under
6 this subchapter may request the department to make, or the department may make,
7 an adjustment to the data under s. 76.07 (4g) or (4r) submitted by the person. If an
8 adjustment under this section results in an increase in the tax due under this
9 subchapter, the person shall pay the amount of the tax increase plus interest on that
10 amount at the rate of 1 percent per month from the due date or extended due date
11 of the report under s. 76.04 until the date of final determination and interest at the
12 rate of 1.5 percent per month from the date of final determination until the date of
13 payment. If an adjustment under this section results in a decrease in the tax due
14 under this subchapter, the department shall refund the appropriate amount plus
15 interest at the rate of ~~0.75~~ 0.25 percent per month from the due date or extended due
16 date under s. 76.04 until the date of refund. Sections 71.74 (1) and (2) and 71.75 (6)
17 and (7), as they apply to income and franchise tax adjustments, apply to adjustments
18 under this section. Review of the adjustments is as stated in s. 76.08.

19 **SECTION 115.** 76.13 (1) of the statutes is amended to read:

20 76.13 (1) The department shall compute and levy a tax upon the property of
21 each company defined in s. 76.02, as assessed in the manner specified in ss. 76.07 and
22 76.08, at the average net rate of taxation determined under s. 76.126. The amount
23 of tax to be paid by each such company shall be extended upon a tax roll opposite the
24 description of the property of the respective companies. The tax rolls for all
25 companies required to be assessed on ~~or before August 1 in each year under s. 76.07~~

1 ~~(1) shall be completed on or before August 10, and for all companies required to be~~
2 ~~assessed on or before~~ September 15 in each year under s. 76.07 (1) shall be completed
3 on or before October 1; and the department shall thereupon attach to each such roll
4 a certificate signed by the secretary of revenue, which shall be as follows:

5 “I hereby certify that the foregoing tax roll includes the property of all railroad
6 companies, air carrier companies, conservation and regulation companies or
7 pipeline companies, as the case may be, defined in s. 76.02, liable to taxation in this
8 state; that the valuation of the property of each company as set down in said tax roll
9 is the full market value thereof as assessed by the department of revenue, except as
10 changed by court judgment, and that the taxes thereon charged in said tax roll have
11 been assessed and levied at the average net rate of taxation in this state, as required
12 by law”.

13 **SECTION 116.** 76.13 (3) of the statutes is amended to read:

14 76.13 (3) If the Dane County circuit court, after such roll is delivered to the
15 secretary of administration, increases or decreases the assessment of any company,
16 the department shall immediately redetermine the tax of the company on the basis
17 of the revised assessment, and shall certify and deliver the revised assessment to the
18 secretary of administration as a revision of the tax roll. If the amount of tax upon
19 the assessment as determined by the court is less than the amount paid by the
20 company, the secretary of administration shall refund the excess to the company with
21 interest at the rate of ~~9~~ 3 percent per year. If the amount of the tax upon the
22 assessment as determined by the court is in excess of the amount of the tax as
23 determined by the department, interest shall be paid on the additional amount at the
24 rate of 12 percent per year from the date of entry of judgment to the date the
25 judgment becomes final, and at 1.5 percent per month thereafter until paid.

1 **SECTION 117.** 76.28 (4) (b) of the statutes is amended to read:

2 76.28 (4) (b) In the case of overpayments of license fees by any light, heat and
3 power company under par. (a), the department shall certify the overpayments to the
4 department of administration, which shall audit the amount of the overpayments
5 and the secretary of administration shall pay the amounts determined by means of
6 the audit. All refunds of license fees under this subsection shall bear interest at the
7 annual rate of ~~9~~ 3 percent from the date of the original payment to the date when
8 the refund is made. The time for making additional levies of license fees or claims
9 for refunds of excess license fees paid, in respect to any year, shall be limited to 4
10 years after the time the report for such year was filed.

11 **SECTION 118.** 76.28 (11) of the statutes is amended to read:

12 76.28 (11) PAYMENT BEFORE CONTESTING. No action or proceeding, except a
13 petition for redetermination under sub. (4), may be brought by a light, heat or power
14 company against this state to contest any assessment of a tax under this section
15 unless the taxpayer first pays to this state the amount of tax assessed. If the
16 taxpayer prevails in an action or proceeding, this state shall settle with the taxpayer,
17 including payment of interest at ~~9~~ 3 percent per year on the amount of the money
18 paid from the date of payment until the date of judgment.

19 **SECTION 119.** 76.39 (4) (d) of the statutes is amended to read:

20 76.39 (4) (d) All refunds shall be certified by the department to the department
21 of administration which shall audit the amount of the refunds and the secretary of
22 administration shall pay the amount, together with interest at the rate of ~~9~~ 3 percent
23 per year from the date payment was made. All additional taxes shall bear interest
24 at the rate of 12 percent per year from the time they should have been paid to the date
25 upon which the additional taxes shall become delinquent if unpaid.

1 **SECTION 120.** 76.48 (5) of the statutes is amended to read:

2 76.48 (5) Additional assessments may be made, if notice of such assessment is
3 given, within 4 years of the date the annual return was filed, but if no return was
4 filed, or if the return filed was incorrect and was filed with intent to defeat or evade
5 the tax, an additional assessment may be made at any time upon the discovery of
6 gross revenues by the department. Refunds may be made if a claim for the refund
7 is filed in writing with the department within 4 years of the date the annual return
8 was filed. Refunds shall bear interest at the rate of ~~9~~ 3 percent per year and shall
9 be certified by the department to the secretary of administration who shall audit the
10 amounts of such overpayments and pay the amount audited. Additional
11 assessments shall bear interest at the rate of 12 percent per year from the time they
12 should have been paid to the date upon which they shall become delinquent if unpaid.

13 **SECTION 121.** 77.51 (13gm) (a) (intro.) of the statutes is renumbered 77.51
14 (13gm) (a) and amended to read:

15 77.51 (**13gm**) (a) “Retailer engaged in business in this state” does not include
16 a retailer who has no activities as described in sub. (13g), except for activities
17 described in sub. (13g) (c), unless the ~~retailer meets either of the following criteria~~
18 retailer’s annual gross sales into this state exceed \$100,000 in the previous year or
19 current calendar year~~;~~.

20 **SECTION 122.** 77.51 (13gm) (a) 1. and 2. of the statutes are repealed.

21 **SECTION 123.** 77.51 (13gm) (b) of the statutes is amended to read:

22 77.51 (**13gm**) (b) If an out-of-state retailer’s annual gross sales into this state
23 exceed \$100,000 in the previous calendar year ~~or the retailer’s annual number of~~
24 ~~separate sales transactions into this state is 200 or more in the previous year,~~ the
25 retailer shall register with the department and collect the taxes administered under

1 s. 77.52 or 77.53 on sales sourced to this state under s. 77.522 for the entire current
2 calendar year.

3 **SECTION 124.** 77.51 (13gm) (c) of the statutes is amended to read:

4 77.51 **(13gm)** (c) If an out-of-state retailer's annual gross sales into this state
5 are \$100,000 or less in the previous calendar year ~~and the retailer's annual number~~
6 ~~of separate sales transactions into this state is less than 200 in the previous year,~~ the
7 retailer is not required to register with the department and collect the taxes
8 administered under s. 77.52 or 77.53 on sales sourced to this state under s. 77.522
9 until the retailer's gross sales ~~or transactions meet the criteria in par. (a) 1. or 2.~~
10 exceed \$100,000 for the current calendar year, at which time the retailer shall
11 register with the department and collect the tax for the remainder of the current
12 calendar year.

13 **SECTION 125.** 77.51 (13gm) (d) 1. of the statutes is repealed.

14 **SECTION 126.** 77.51 (13gm) (d) 2. of the statutes is amended to read:

15 77.51 **(13gm)** (d) 2. ~~The annual amounts described in this subsection include~~
16 "Gross sales" includes both taxable and nontaxable sales.

17 **SECTION 127.** 77.51 (13gm) (d) 3. and 4. of the statutes are repealed.

18 **SECTION 128.** 77.51 (13gm) (d) 5. of the statutes is amended to read:

19 77.51 **(13gm)** (d) 5. An out-of-state retailer's annual ~~amounts~~ gross sales
20 include all sales into this state by the retailer on behalf of other persons and all sales
21 into this state by another person on the retailer's behalf.

22 **SECTION 129.** 77.52 (2m) (b) of the statutes is amended to read:

23 77.52 **(2m)** (b) With respect to the type of services ~~subject to tax~~ under sub. (2)
24 (a) 7., 10., 11., and 20. and except as provided in s. 77.54 (60) (b) and (bm) 2., all
25 tangible personal property or items, property, or goods under ~~s. 77.52~~ sub. (1) (b), (c),

1 or (d) physically transferred, or transferred electronically, to the customer in
2 conjunction with the selling, performing, or furnishing of the service is a sale of
3 tangible personal property or items, property, or goods under ~~s. 77.52 sub.~~ (1) (b), (c),
4 or (d) separate from the selling, performing, or furnishing of the service, regardless
5 of whether the purchaser claims an exemption on its purchase of the service. This
6 paragraph does not apply to services provided by veterinarians.

7 **SECTION 130.** 77.54 (6) (am) 2. of the statutes is amended to read:

8 77.54 (6) (am) 2. Containers, labels, sacks, cans, boxes, drums, bags or other
9 packaging and shipping materials for use in packing, packaging or shipping tangible
10 personal property or items or property under s. 77.52 (1) (b) or (c), if the containers,
11 labels, sacks, cans, boxes, drums, bags, or other packaging and shipping materials
12 are used by the purchaser to transfer merchandise to customers or physically
13 transferred to the customer in conjunction with the selling, performing, or
14 furnishing of the type of services under s. 77.52 (2) (a) 7., 10, 11., or 20. that are
15 exempt from or not subject to taxation under this subchapter. This subdivision does
16 not apply to services provided by veterinarians.

17 **SECTION 131.** 77.54 (9a) (f) of the statutes is amended to read:

18 77.54 (9a) (f) Any corporation, community chest, fund, or foundation ~~or~~
19 ~~association organized and operated exclusively for religious, charitable, scientific or~~
20 ~~educational purposes, or for the prevention of cruelty to children or animals, except~~
21 ~~hospital service insurance corporations under s. 613.80 (2), no part of the net income~~
22 ~~of which inures to the benefit of any private stockholder, shareholder, member or~~
23 ~~corporation~~ that is exempt from federal income tax under section 501 (c) (3) of the
24 Internal Revenue Code and has received a determination letter from the internal
25 revenue service. The exemption under this paragraph applies to churches and

1 religious organizations that meet the requirements of section 501 (c) (3) but are not
2 required to apply for and obtain tax-exempt status from the internal revenue
3 service.

4 **SECTION 132.** 77.54 (9m) of the statutes is amended to read:

5 77.54 (9m) The sales price from the sale of and the storage, use, or other
6 consumption of tangible personal property, or items or property under s. 77.52 (1) (b)
7 or (c), sold to a construction contractor that, in fulfillment of a real property
8 construction activity, transfers the tangible personal property, or items or property
9 under s. 77.52 (1) (b) or (c), to an entity described under sub. (9a) (b), (c), (d), (em),
10 (f), or (fc) or (9g), a technical college district, the University of Wisconsin Hospitals
11 and Clinics Authority, the Board of Regents of the University of Wisconsin System,
12 an institution, as defined in s. 36.05 (9), a college campus, as defined in s. 36.05 (6m),
13 or the University of Wisconsin-Extension, if such tangible personal property, or
14 items or property, becomes a component of a facility in this state that is owned by the
15 entity. In this subsection, “facility” means any building, shelter, parking lot, parking
16 garage, athletic field, athletic park, storm sewer, water supply system, or sewerage
17 and waste water treatment facility, but does not include a highway, street, or road.

18 **SECTION 133.** 77.61 (5) (b) 8m. of the statutes is created to read:

19 77.61 (5) (b) 8m. The state auditor and the employees of the legislative audit
20 bureau to the extent necessary for the bureau to carry out its duties under 13.94.

21 **SECTION 134.** 79.02 (1) of the statutes is amended to read:

22 79.02 (1) The Except as provided in sub. (2) (b), the department of
23 administration, upon certification by the department of revenue, shall distribute
24 shared revenue payments to each municipality and county on the 4th Monday in July
25 and the 3rd Monday in November.

1 **SECTION 135.** 79.02 (2) (b) of the statutes is amended to read:

2 79.02 (2) (b) Subject to ss. 59.605 (4) and 70.995 (14) (b), payments in July shall
3 equal 15 percent of the municipality's or county's estimated payments under ss.
4 79.035 and 79.04 and 100 percent of the municipality's estimated payments under
5 s. 79.05. Upon certification by the department of revenue, the estimated payment
6 under s. 79.05 may be distributed before the 4th Monday in July.

7 **SECTION 136.** 79.02 (3) (a) of the statutes is amended to read:

8 79.02 (3) (a) Subject to s. 59.605 (4), payments to each municipality and county
9 in November shall equal that municipality's or county's entitlement under ss. 79.035,
10 79.04, and 79.05 for the current year, minus the amount distributed to the
11 municipality or county ~~in July~~ under sub. (2) (b).

12 **SECTION 137.** 79.02 (3) (e) of the statutes is amended to read:

13 79.02 (3) (e) For the distribution in 2004 and subsequent years, the total
14 amount of the November payments to each county and municipality under s. 79.035
15 sub. (1) shall be reduced by an amount equal to the amount of supplements paid from
16 the appropriation accounts under s. 20.435 (4) (b) and (gm) that the county or
17 municipality received for the fiscal year in which a payment is made under this
18 section, as determined under s. 49.45 (51).

19 **SECTION 138.** 79.035 (6) of the statutes is amended to read:

20 79.035 (6) Beginning with the distributions in 2016 and ending with the
21 distributions in 2035, the annual payment under ~~this section~~ s. 79.02 (1) to a county
22 in which a sports and entertainment arena, as defined in s. 229.41 (11e), is located
23 shall be the amount otherwise determined for the county under this section, minus
24 \$4,000,000.

25 **SECTION 139.** 79.035 (7) (b) of the statutes is amended to read:

1 79.035 (7) (b) Beginning with the first payment due under ~~this section~~ s. 79.02
2 (1) after the county or municipality receives a grant under s. 16.047 (4m), the
3 department of administration shall apply the reduction determined under par. (a) for
4 each county and municipality by reducing 10 consecutive annual payments under
5 ~~this section~~ s. 79.02 (1) to the county or municipality by equal amounts. ~~If in any year~~
6 ~~the reduction under this paragraph for a county or municipality exceeds the payment~~
7 ~~under this section for the county or municipality, the department of administration~~
8 ~~shall apply the excess amount of the reduction to the payment to the county or~~
9 ~~municipality under s. 79.04.~~

10 **SECTION 140.** 79.05 (1) (am) of the statutes is amended to read:

11 79.05 (1) (am) “Inflation factor” means a percentage equal to the average
12 annual percentage change in the U.S. consumer price index for all urban consumers,
13 U.S. city average, as determined by the U.S. department of labor, for the 12 months
14 ending on ~~September 30~~ August 31 of the year before the statement under s. 79.015,
15 except that the percentage under this paragraph shall not be less than zero.

16 **SECTION 141.** 79.05 (2m) of the statutes is amended to read:

17 79.05 (2m) Annually, on ~~November~~ October 1, the department of revenue shall
18 certify the appropriate percentage change in the consumer price index that is to be
19 used in the requirement under sub. (1) (am) to the joint committee on finance.

20 **SECTION 142. Initial applicability.**

21 (1) HOMESTEAD CREDIT. The treatment of ss. 71.52 (1g) and 71.55 (10) first
22 applies to claims filed for taxable years beginning after December 31, 2020.

23 (2) RETIREMENT INCOME EXCLUSION. The treatment of ss. 71.05 (1) (ae), (am), and
24 (an) and (6) (b) 54. and 71.83 (1) (a) 6. and the amendment of s. 71.05 (6) (b) 4. (as it

1 relates to the retirement income exclusion) first apply to taxable years beginning
2 after December 31, 2020.

3 (3) REDUCTIONS IN SHARED REVENUE. The treatment of ss. 48.561 (3) (a) 3. and
4 (b), 66.0602 (6) (a) and (b), 66.1105 (6m) (d) 4., 70.855 (4) (b), 70.995 (14) (b), 79.02
5 (3) (e), and 79.035 (6) and (7) (b) first applies to the distributions made in the year
6 following publication.

7 (4) INTEREST RATE ON UTILITY TAX REFUNDS. The treatment of ss. 76.075, 76.13
8 (3), 76.28 (4) (b) and (11), 76.39 (4) (d), and 76.48 (5) first applies to refunds paid on
9 the effective date of this subsection regardless of the taxable periods to which the
10 refunds pertain.

11 (5) UNIVERSITY OF WISCONSIN HOSPITALS AND CLINICS AUTHORITY. The treatment
12 of s. 77.54 (9m) first applies to contracts entered into on the effective date of this
13 subsection.

14 (6) INCOME FROM GRANTS. The treatment of ss. 71.05 (1) (h) and (hm), 71.26 (3)
15 (ag) 2. and 3. and (L), 71.34 (1k) (af) and (ah), and 71.45 (1) (d) and (dm) and (2) (a)
16 23. and 24. first applies to taxable years beginning after December 31, 2019.

17 **SECTION 143. Effective dates.** This act takes effect on the day after
18 publication, except as follows:

19 (1) OBJECTIONS TO MANUFACTURING ASSESSMENTS. The treatment of s. 70.995 (8)
20 (c) 1. and (d) takes effect on the first January 1 after publication.

21 (2) BOARD OF REVIEW TRAINING. The treatment of s. 70.46 (4) takes effect on the
22 first January 1 after publication.

23 (3) OMITTED PROPERTY. The treatment of s. 74.315 (1), (1m), (2), and (3) takes
24 effect on the first January 1 after publication.

