



2009 ASSEMBLY BILL 936

April 6, 2010 - Introduced by Representatives TAUCHEN, ZIEGELBAUER, KESTELL, MOLEPSKE JR., GUNDERSON, STRACHOTA, SPANBAUER, BERCEAU, BROOKS, FIELDS, KLEEFISCH and NASS, cosponsored by Senators KEDZIE, LASSA, TAYLOR, OLSEN and LEIBHAM. Referred to Committee on Agriculture.

1 **AN ACT** *to renumber and amend* 71.01 (7r) (b), 71.01 (7r) (c), 71.22 (5m) (b),
2 71.26 (3) (y) 2., 71.34 (1m) (b) and 71.365 (1m) (b); and **to create** 71.01 (7r) (b)
3 2., 71.01 (7r) (c) 2., 71.22 (5m) (b) 2., 71.26 (3) (y) 2. b., 71.34 (1m) (b) 2. and
4 71.365 (1m) (b) 2. of the statutes; **relating to:** depreciation and expense
5 deductions for property used in farming.

Analysis by the Legislative Reference Bureau

Under this bill, the sections of the federal Internal Revenue Code that apply to amortization, depreciation, and expense deductions, and all subsequent changes to those sections, apply for state income and franchise tax purposes to property used in farming.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

ASSEMBLY BILL 936**SECTION 1**

1 **SECTION 1.** 71.01 (7r) (b) of the statutes is renumbered 71.01 (7r) (b) 1. and
2 amended to read:

3 71.01 **(7r)** (b) 1. Notwithstanding sub. (6), for property acquired and placed in
4 service in taxable years beginning ~~on or after~~ December 31, 2005, and before January
5 1, ~~2006~~ 2009, a person who is actively engaged in farming may compute amortization
6 and depreciation on property used in farming under any subsequent change to
7 section 101 of P.L. 107-147 or section 201 of P.L. 108-27 enacted after December 31,
8 2005. For purposes of this paragraph, “actively engaged in farming” has the meaning
9 given in 7 CFR 1400.201, and “farming” has the meaning given in section 464 (e) (1)
10 of the Internal Revenue Code. ~~This paragraph~~ subdivision does not apply unless a
11 federal law change enacted after December 31, 2005, revises section 101 of P.L.
12 107-147 or section 201 of P.L. 108-27.

13 **SECTION 2.** 71.01 (7r) (b) 2. of the statutes is created to read:

14 71.01 **(7r)** (b) 2. Notwithstanding sub. (6), section 168 of the Internal Revenue
15 Code, including any revision of that section adopted after December 31, 2000, applies
16 to property used in farming that is acquired and placed in service in taxable years
17 beginning on or after January 1, 2009, and used by a person who is actively engaged
18 in farming.

19 **SECTION 3.** 71.01 (7r) (c) of the statutes is renumbered 71.01 (7r) (c) 1. and
20 amended to read:

21 71.01 **(7r)** (c) 1. Notwithstanding sub. (6), section 101 of P.L. 109-222, related
22 to extending the increased expense deduction under section 179 of the Internal
23 Revenue Code, applies to property used in farming that is acquired and placed in
24 service in taxable years beginning ~~on or after~~ December 31, 2007, and before January
25 1, ~~2008~~ 2009, and used by a person who is actively engaged in farming. For purposes

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1 of this paragraph, “actively engaged in farming” has the meaning given in 7 CFR
2 1400.201, and “farming” has the meaning given in section 464 (e) (1) of the Internal
3 Revenue Code.

4 **SECTION 4.** 71.01 (7r) (c) 2. of the statutes is created to read:

5 71.01 **(7r)** (c) 2. Notwithstanding sub. (6), section 179 of the Internal Revenue
6 Code, including any revision of that section adopted after December 31, 2000, applies
7 to property used in farming that is acquired and placed in service in taxable years
8 beginning on or after January 1, 2009, and used by a person who is actively engaged
9 in farming.

10 **SECTION 5.** 71.22 (5m) (b) of the statutes is renumbered 71.22 (5m) (b) 1. and
11 amended to read:

12 71.22 **(5m)** (b) 1. Notwithstanding subs. (4) and (4m), section 101 of P.L.
13 109-222, related to extending the increased expense deduction under section 179 of
14 the Internal Revenue Code, applies to property used in farming that is acquired and
15 placed in service in taxable years beginning ~~on or~~ after December 31, 2007, and
16 before January 1, ~~2008~~ 2009, and used by a person who is actively engaged in
17 farming. For purposes of this paragraph, “actively engaged in farming” has the
18 meaning given in 7 CFR 1400.201, and “farming” has the meaning given in section
19 464 (e) (1) of the Internal Revenue Code.

20 **SECTION 6.** 71.22 (5m) (b) 2. of the statutes is created to read:

21 71.22 **(5m)** (b) 2. Notwithstanding subs. (4) and (4m), section 179 of the
22 Internal Revenue Code, including any revision of that section adopted after
23 December 31, 2000, applies to property used in farming that is acquired and placed
24 in service in taxable years beginning on or after January 1, 2009, and used by a
25 person who is actively engaged in farming.

ASSEMBLY BILL 936**SECTION 7**

1 **SECTION 7.** 71.26 (3) (y) 2. of the statutes is renumbered 71.26 (3) (y) 2. a. and
2 amended to read:

3 71.26 **(3)** (y) 2. a. For property acquired and placed in service in taxable years
4 beginning ~~on or~~ after December 31, 2005, and before January 1, ~~2006~~ 2009, a
5 corporation that is actively engaged in farming may compute amortization and
6 depreciation on property used in farming under any subsequent change to section
7 101 of P.L. 107-147 or section 201 of P.L. 108-27 enacted after December 31, 2005.
8 For purposes of this subdivision, “actively engaged in farming” has the meaning
9 given in 7 CFR 1400.201, and “farming” has the meaning given in section 464 (e) (1)
10 of the Internal Revenue Code. This ~~subdivision~~ subd. 2. a. does not apply unless a
11 federal law change enacted after December 31, 2005, revises section 101 of P.L.
12 107-147 or section 201 of P.L. 108-27.

13 **SECTION 8.** 71.26 (3) (y) 2. b. of the statutes is created to read:

14 71.26 **(3)** (y) 2. b. Section 168 of the Internal Revenue Code, including any
15 revision of that section adopted after December 31, 2000, applies to property used in
16 farming that is acquired and placed in service in taxable years beginning on or after
17 January 1, 2009, and used by a person who is actively engaged in farming.

18 **SECTION 9.** 71.34 (1m) (b) of the statutes is renumbered 71.34 (1m) (b) 1. and
19 amended to read:

20 71.34 **(1m)** (b) 1. Notwithstanding sub. (1g), section 101 of P.L. 109-222,
21 related to extending the increased expense deduction under section 179 of the
22 Internal Revenue Code, applies to property used in farming that is acquired and
23 placed in service in taxable years beginning ~~on or~~ after December 31, 2007, and
24 before January 1, ~~2008~~ 2009, and used by a person who is actively engaged in
25 farming. For purposes of this paragraph, “actively engaged in farming” has the

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1 meaning given in 7 CFR 1400.201, and “farming” has the meaning given in section
2 464 (e) (1) of the Internal Revenue Code.

3 **SECTION 10.** 71.34 (1m) (b) 2. of the statutes is created to read:

4 71.34 **(1m)** (b) 2. Notwithstanding sub. (1g), section 179 of the Internal
5 Revenue Code, including any revision of that section adopted after December 31,
6 2000, applies to property used in farming that is acquired and placed in service in
7 taxable years beginning on or after January 1, 2009, and used by a person who is
8 actively engaged in farming.

9 **SECTION 11.** 71.365 (1m) (b) of the statutes is renumbered 71.365 (1m) (b) 1. and
10 amended to read:

11 71.365 **(1m)** (b) 1. For property acquired and placed in service in taxable years
12 beginning ~~on or~~ after December 31, 2005, and before January 1, ~~2006~~ 2009, a
13 tax-option corporation that is actively engaged in farming may compute
14 amortization and depreciation on property used in farming under any subsequent
15 change to section 101 of P.L. 107-147 or section 201 of P.L. 108-27 enacted after
16 December 31, 2005. For purposes of this paragraph, “actively engaged in farming”
17 has the meaning given in 7 CFR 1400.201, and “farming” has the meaning given in
18 section 464 (e) (1) of the Internal Revenue Code. ~~This paragraph~~ subdivision does
19 not apply unless a federal law change enacted after December 31, 2005, revises
20 section 101 of P.L. 107-147 or section 201 of P.L. 108-27.

21 **SECTION 12.** 71.365 (1m) (b) 2. of the statutes is created to read:

22 71.365 **(1m)** (b) 2. Section 168 of the Internal Revenue Code, including any
23 revision of that section adopted after December 31, 2000, applies to property used in

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SECTION 12

1 farming that is acquired and placed in service in taxable years beginning on or after
2 January 1, 2009, and used by a person who is actively engaged in farming.

3 (END)