



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-5648/1
JK/EKL/MES:all

2019 ASSEMBLY BILL 881

February 11, 2020 - Introduced by LAW REVISION COMMITTEE. Referred to
Committee on Rules.

1 **AN ACT** *to repeal* 60.85 (2) (b) 7., 60.85 (5) (e), 66.1105 (2) (f) 1. m., 66.1105 (6)
2 (am) 2. e., 66.1105 (6) (am) 2. f., 70.11 (42), 71.05 (6) (a) 4., 71.05 (6) (a) 7., 71.05
3 (6) (a) 9., 71.05 (6) (a) 17., 71.05 (6) (a) 21., 71.05 (6) (a) 22., 71.05 (6) (b) 13., 71.05
4 (6) (b) 14., 71.05 (6) (b) 17., 71.05 (6) (b) 18., 71.05 (6) (b) 20., 71.05 (6) (b) 36.,
5 71.05 (6) (b) 37., 71.05 (6) (b) 39., 71.05 (6) (b) 40., 71.05 (6) (b) 41., 71.05 (6) (b)
6 44., 71.05 (6) (b) 47., 71.05 (6) (b) 47m., 71.05 (22) (f) 1., 71.05 (22) (f) 2., 71.05
7 (22) (f) 3., 71.07 (8), 71.07 (9e) (a), 71.07 (9e) (ac), 71.07 (9e) (ad), 71.07 (9e) (af),
8 71.07 (9e) (ah), 71.07 (9e) (ap), 71.07 (9e) (at), 71.10 (4) (b), 71.15 (2), 71.25 (14),
9 71.26 (2) (a) 10., 71.66 (2) (c), 71.66 (2) (d), 71.85 (3), 77.94 (2), 120.135 and
10 121.91 (4) (h); **to amend** 59.53 (11) (c), 59.53 (20), 60.85 (2) (c), 60.85 (3) (h) 4.,
11 60.85 (3) (h) 5. a., 60.85 (3) (h) 5. c., 66.0602 (2) (a), 66.0602 (2) (b), 66.0602 (3)
12 (dm), 66.0602 (3) (ds), 66.1105 (2) (f) 1. (intro.), 66.1105 (2) (f) 1. n., 66.1105 (18)
13 (c) 2., 70.05 (4n), 70.48, 71.07 (5) (a) 15., 71.07 (6) (am) 1., 71.07 (6) (am) 2. d.,
14 71.07 (9e) (aj) (intro.), 71.07 (9e) (g) 2., 71.10 (4) (j), 71.22 (11), 73.06 (1), 76.02

ASSEMBLY BILL 881

1 (1), 76.31, 77.54 (20n) (b), 77.94 (1), 78.55 (1), 121.07 (6) (a) (intro.) and 227.53
2 (1) (b) 1.; and **to create** 66.0602 (2) (c), 71.05 (6) (a) 1. (title), 71.05 (6) (a) 2.
3 (title), 71.05 (6) (a) 3. (title), 71.05 (6) (a) 5. (title), 71.05 (6) (a) 6. (title), 71.05
4 (6) (a) 8. (title), 71.05 (6) (a) 10. (title), 71.05 (6) (a) 12. (title), 71.05 (6) (a) 13.
5 (title), 71.05 (6) (a) 14. (title), 71.05 (6) (a) 15. (title), 71.05 (6) (a) 16. (title), 71.05
6 (6) (a) 18. (title), 71.05 (6) (a) 20. (title), 71.05 (6) (a) 23. (title), 71.05 (6) (a) 24.
7 (title), 71.05 (6) (a) 25. (title), 71.05 (6) (a) 26. (title), 71.05 (6) (a) 27. (title), 71.05
8 (6) (a) 28. (title), 71.05 (6) (a) 29. (title), 71.05 (6) (b) 1. (title), 71.05 (6) (b) 2.
9 (title), 71.05 (6) (b) 3. (title), 71.05 (6) (b) 3m. (title), 71.05 (6) (b) 4. (title), 71.05
10 (6) (b) 5. (title), 71.05 (6) (b) 6. (title), 71.05 (6) (b) 8. (title), 71.05 (6) (b) 9. (title),
11 71.05 (6) (b) 9m. (title), 71.05 (6) (b) 10. (title), 71.05 (6) (b) 12. (title), 71.05 (6)
12 (b) 19. (title), 71.05 (6) (b) 21. (title), 71.05 (6) (b) 22. (title), 71.05 (6) (b) 23.
13 (title), 71.05 (6) (b) 25. (title), 71.05 (6) (b) 26. (title), 71.05 (6) (b) 28. (title), 71.05
14 (6) (b) 29. (title), 71.05 (6) (b) 30. (title), 71.05 (6) (b) 31. (title), 71.05 (6) (b) 32.
15 (title), 71.05 (6) (b) 32m. (title), 71.05 (6) (b) 33. (title), 71.05 (6) (b) 34. (title),
16 71.05 (6) (b) 35. (title), 71.05 (6) (b) 38. (title), 71.05 (6) (b) 42. (title), 71.05 (6)
17 (b) 43. (title), 71.05 (6) (b) 45. (title), 71.05 (6) (b) 46. (title), 71.05 (6) (b) 48.
18 (title), 71.05 (6) (b) 48m. (title), 71.05 (6) (b) 49. (title), 71.05 (6) (b) 50. (title),
19 71.05 (6) (b) 51. (title), 71.05 (6) (b) 52. (title), 71.05 (6) (b) 53. (title), 71.07 (6)
20 (am) 1m., 76.02 (4m), 76.025 (5) and 76.04 (3) of the statutes; **relating to:**
21 **repealing** obsolete statutory references in and making other changes to various
22 tax laws (suggested as remedial legislation by the Department of Revenue).

Analysis by the Legislative Reference Bureau

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

ASSEMBLY BILL 881***Repealing obsolete provisions and updating references***

The bill repeals a number of obsolete provisions, including obsolete individual income tax additions and subtractions and obsolete references relating to tax incremental financing districts, capital improvement fund for schools, and the Internal Revenue Code (IRC).

The bill also updates references to, and incorporates definitions from, the IRC for the married persons tax credit and adds cross-references to a number of statutory penalties in the income tax order of computation.

Outdated and derogatory terminology

The bill changes the term “handicapped” to “disabled” when referring to persons who receive certain county services and for purposes of a sales tax exemption for the sale of prepared food to elderly and disabled individuals.

Clarification of respondent

The bill modifies current law to clarify that when DOR petitions for review of a decision of the Tax Appeals Commission, the prevailing parties before the commission are considered the respondents.

Local levy limits

Current law authorizes an increase in the levy limit of a city, village, town, or county (political subdivision) upon the termination of a tax incremental district (TID) in the political subdivision, or upon the subtraction of territory from a TID. The allowable increase is calculated based on a number of factors, one of which is the political subdivision’s levy for the preceding year. The bill clarifies that this factor in the calculation consists of the political subdivision’s actual adjusted levy, rather than its maximum allowable levy, for the preceding year.

The bill also clarifies how local levy limits are calculated when taking into consideration state personal property aid paid to a taxation district by the Department of Administration.

Reimbursement for training

Under current law, counties with populations of less than 750,000 are required to pay local assessors, clerks, and other officials a per diem and mileage reimbursement when attending DOR assessment training. The amounts are paid by the county in which the person resides and must be at least \$5 per day and 6 cents per mile. The bill makes local assessors ineligible for the per diem and mileage reimbursement.

Notice by an assessor to enter a residence

Current law requires that an assessor, when requesting to view the interior of a residence, provide a written notice to the property owner that informs the owner of his or her right to refuse entry. The bill replaces the term “notice” with the term “information.”

Electronic assessment rolls

Under current law, when a board of review changes an assessor’s valuation of property, the clerk is required to revise the assessment roll by using red ink to cross out the assessor’s valuation and enter the board’s valuation. The bill modifies the

ASSEMBLY BILL 881

requirement to reflect the use of electronic assessment rolls. Under the bill, the clerk is required to enter the board's valuation and a note about the change to the assessor's valuation into the assessment roll, but there is no requirement to use red ink or to cross out the assessor's valuation.

Hub facility tax exemption

The bill moves the hub facility tax exemption for air carriers from Chapter 70 of the statutes, which imposes local property taxes, to Chapter 76, which imposes an ad valorem tax on air carriers.

Under current law, air carriers are subject to an ad valorem tax on their property, instead of local property taxes. Current law provides an exemption from local property taxes for property owned and used by an air carrier that operates a hub facility in Wisconsin. For purposes of the ad valorem tax, "air carrier company" is defined to exclude any air carrier whose property is exempt from local property taxes under the hub facility exemption. Thus, under current law, property owned by an air carrier operating a hub facility in Wisconsin is exempt from the ad valorem tax if it meets the criteria for the local property tax exemption.

The bill repeals the hub facility exemption from local property taxes. The bill maintains the current ad valorem tax exemption for air carriers by creating a hub facility exemption specifically for purposes of that tax. The bill also requires that an air carrier claiming the hub facility exemption annually file a request for the exemption with DOR no later than March 1.

Statutory titles

The bill creates titles for the statutory provisions that allow taxpayers to make additions and subtractions for purposes of the individual income tax.

For further information, see the NOTES provided by the Law Revision Committee of the Joint Legislative Council.

For further information see the ***state and local*** 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:

LAW REVISION COMMITTEE PREFATORY NOTE: This bill is a remedial legislation proposal, requested by the Department of Revenue and introduced by the Law Revision Committee under s. 13.83 (1) (c) 4. and 5., stats. After careful consideration of the various provisions of the bill, the Law Revision Committee has determined that this bill makes minor substantive changes in the statutes, and that these changes are desirable as a matter of public policy.

- 1 **SECTION 1.** 59.53 (11) (c) of the statutes is amended to read:
- 2 59.53 (11) (c) Appropriate money to defray the expenses incurred by private
- 3 organizations that provide homemaking services to elderly and handicapped

ASSEMBLY BILL 881

1 disabled persons within the county if the services will enable the persons to remain
2 self-sufficient and to live independently or with relatives.

NOTE: This SECTION replaces the term “handicapped” with “disabled” in a statute that allows a county board to appropriate money for purposes of homemaking services for elderly and disabled persons within the county.

3 **SECTION 2.** 59.53 (20) of the statutes is amended to read:

4 59.53 (20) WORK CENTERS. The board may establish and operate a work center
5 licensed under s. 104.07 to provide employment for severely handicapped disabled
6 individuals, except that in a county with a population of 750,000 or more, the county
7 executive shall be in charge of the operation of the work center.

NOTE: This SECTION replaces the term “handicapped” with “disabled” in a statute that allows a county board to establish and operate a work center to provide employment for severely disabled individuals.

8 **SECTION 3.** 60.85 (2) (b) 7. of the statutes is repealed.

NOTE: This SECTION repeals an exception to the town tax increment law for the town of Brookfield in Waukesha County. SECTIONS 4 to 7 delete cross-references to this exception.

9 **SECTION 4.** 60.85 (2) (c) of the statutes is amended to read:

10 60.85 (2) (c) ~~Except as provided in par. (b) 7., no~~ No town may exercise any
11 power under this subsection within the extraterritorial zoning jurisdiction of a city
12 or village, as that term is defined in s. 62.23 (7a) (a), unless the city’s or village’s
13 governing body adopts a resolution which approves the town’s exercise of power
14 under this subsection within such an extraterritorial zoning jurisdiction.

15 **SECTION 5.** 60.85 (3) (h) 4. of the statutes is amended to read:

16 60.85 (3) (h) 4. Declares the district to be either an agricultural project district,
17 forestry project district, manufacturing project district, or tourism project district,
18 and identifies the North American Industry Classification System industry number
19 of each activity under each project for which project costs are to be expended; ~~or~~
20 ~~declares the district to be a project described in sub. (2) (b) 7.~~

ASSEMBLY BILL 881**SECTION 6**

1 **SECTION 6.** 60.85 (3) (h) 5. a. of the statutes is amended to read:

2 60.85 (3) (h) 5. a. That not less than 75 percent, by area, of the real property
3 within the district is to be used for projects of a single one of the project types listed
4 under sub. (2) (b) 1. to 4. ~~or 7.~~ and in accordance with the declaration under subd. 4.

5 **SECTION 7.** 60.85 (3) (h) 5. c. of the statutes is amended to read:

6 60.85 (3) (h) 5. c. That the project costs of the district are limited to those
7 specified under sub. (2) (b) and relate directly to ~~a project described in sub. (2) (b)~~
8 ~~7. or to~~ promoting agriculture, forestry, manufacturing, or tourism development.

9 **SECTION 8.** 60.85 (5) (e) of the statutes is repealed.

NOTE: This SECTION repeals a requirement that a town clerk, no later than May 15
each year, file with the department of revenue a list of the expenditures made in the
previous year for a town tax incremental district.

10 **SECTION 9.** 66.0602 (2) (a) of the statutes is amended to read:

11 66.0602 (2) (a) Except as provided in subs. (3), (4), and (5), no political
12 subdivision may increase its levy in any year by a percentage that exceeds the
13 political subdivision's valuation factor. ~~Except as provided in~~ Subject to par. (b), the
14 base amount in any year, to which the limit under this section applies, shall be the
15 actual levy for the immediately preceding year. In determining its levy in any year,
16 a city, village, or town shall subtract any tax increment that is calculated under s.
17 59.57 (3) (a), 60.85 (1) (L), or 66.1105 (2) (i). The base amount in any year, to which
18 the limit under this section applies, may not include any amount to which sub. (3)
19 (e) 8. applies.

NOTE: This SECTION replaces the phrase "except as provided in" with "subject to"
in its reference to s. 66.0602 (2) (b), Stats.

20 **SECTION 10.** 66.0602 (2) (b) of the statutes is amended to read:

21 66.0602 (2) (b) For purposes of par. (a), in 2018, and in each year thereafter, the
22 base amount to which the limit under this section applies is the actual levy for the

ASSEMBLY BILL 881

1 immediately preceding year, plus the amount of the payment under s. 79.096, ~~and~~
2 ~~the levy limit is the base amount multiplied by the valuation factor, minus the~~
3 ~~amount of the payment under s. 79.096 in the current year. The base amount in any~~
4 ~~year, to which the limit under this section applies, may not include any amount to~~
5 ~~which sub. (3) (e) 8. applies.~~

NOTE: This SECTION clarifies that an exception for purposes of determining the base amount for a levy limit continues to apply in 2018 and in each year thereafter. The exception provides that the base amount may not include any amount used to pay unreimbursed expenses for a state of emergency declared by the governor. This SECTION also deletes unnecessary, duplicative language.

6 **SECTION 11.** 66.0602 (2) (c) of the statutes is created to read:

7 66.0602 (2) (c) The limit under this section shall be reduced by the amount of
8 the payment under s. 79.096 in the following year, as determined by the department
9 of revenue.

NOTE: This SECTION provides that the levy limit is reduced by the amount of the personal property aid payment.

10 **SECTION 12.** 66.0602 (3) (dm) of the statutes is amended to read:

11 66.0602 (3) (dm) If the department of revenue does not certify a value
12 increment for a tax incremental district for the current year as a result of the
13 district's termination, the levy increase limit otherwise applicable under this section
14 in the current year to the political subdivision in which the district is located is
15 increased by an amount equal to the political subdivision's ~~maximum allowable levy~~
16 ~~for the immediately preceding year~~ base amount under sub. (2), multiplied by a
17 percentage equal to 50 percent of the amount determined by dividing the value
18 increment of the terminated tax incremental district, calculated for the previous
19 year, by the political subdivision's equalized value, exclusive of any tax incremental
20 district value increments, for the previous year, all as determined by the department
21 of revenue.

ASSEMBLY BILL 881**SECTION 12**

NOTE: This SECTION provides that the actual adjusted levy, rather than the maximum allowable levy, for the preceding year is used to calculate the allowable increase in the levy limit when a tax incremental district is terminated.

1 **SECTION 13.** 66.0602 (3) (ds) of the statutes is amended to read:

2 66.0602 (3) (ds) If the department of revenue recertifies the tax incremental
3 base of a tax incremental district as a result of the district's subtraction of territory
4 under s. 66.1105 (4) (h) 2., the levy limit otherwise applicable under this section shall
5 be adjusted in the first levy year in which the subtracted territory is not part of the
6 value increment. In that year, the political subdivision in which the district is located
7 shall increase the levy limit otherwise applicable by an amount equal to the political
8 subdivision's ~~maximum allowable levy for the immediately preceding year~~ base
9 amount under sub. (2), multiplied by a percentage equal to 50 percent of the amount
10 determined by dividing the value increment of the tax incremental district's territory
11 that was subtracted, calculated for the previous year, by the political subdivision's
12 equalized value, exclusive of any tax incremental district value increments, for the
13 previous year, all as determined by the department of revenue.

NOTE: This SECTION provides that the actual adjusted levy, rather than the maximum allowable levy, for the preceding year is used to calculate the allowable increase in the levy limit when territory is subtracted from a tax incremental district.

14 **SECTION 14.** 66.1105 (2) (f) 1. (intro.) of the statutes is amended to read:

15 66.1105 (2) (f) 1. (intro.) "Project costs" mean any expenditures made or
16 estimated to be made or monetary obligations incurred or estimated to be incurred
17 by the city which are listed in a project plan as costs of public works or improvements
18 within a tax incremental district or, to the extent provided in this subd. 1. (intro.) or
19 subds. 1. k., ~~1. m.~~, and 1. n., or sub. (20) (c), without the district, plus any incidental
20 costs, diminished by any income, special assessments, or other revenues, including
21 user fees or charges, other than tax increments, received or reasonably expected to

ASSEMBLY BILL 881

1 be received by the city in connection with the implementation of the plan. For any
2 tax incremental district for which a project plan is approved on or after July 31, 1981,
3 only a proportionate share of the costs permitted under this subdivision may be
4 included as project costs to the extent that they benefit the tax incremental district,
5 except that expenditures made or estimated to be made or monetary obligations
6 incurred or estimated to be incurred by a 1st class city, to fund parking facilities
7 ancillary to and within one mile from public entertainment facilities, including a
8 sports and entertainment arena, shall be considered to benefit any tax incremental
9 district located in whole or in part within a one-mile radius of such parking facilities.
10 To the extent the costs benefit the municipality outside the tax incremental district,
11 a proportionate share of the cost is not a project cost. "Project costs" include:

12 **SECTION 15.** 66.1105 (2) (f) 1. m. of the statutes is repealed.

NOTE: This SECTION repeals a statute relating to project costs for a one-half mile radius of a tax incremental district in the city of Kenosha. SECTIONS 14 and 19 delete a cross-reference to this statute. SECTION 17 deletes language that is obsolete after the repeal of the statute in this SECTION.

13 **SECTION 16.** 66.1105 (2) (f) 1. n. of the statutes is amended to read:

14 66.1105 (2) (f) 1. n. ~~With regard to a tax incremental district that is located~~
15 ~~anywhere other than a city to which sub. (6) (d) applies, and subject~~ Subject to sub.
16 (4m) (d), project costs incurred for territory that is located within a one-half mile
17 radius of the district's boundaries and within the city that created the district.

18 **SECTION 17.** 66.1105 (6) (am) 2. e. of the statutes is repealed.

NOTE: This SECTION repeals an exception for a tax incremental district in the village of Denmark.

19 **SECTION 18.** 66.1105 (6) (am) 2. f. of the statutes is repealed.

NOTE: This SECTION repeals an exception for a tax incremental district in the city of Marinette.

20 **SECTION 19.** 66.1105 (18) (c) 2. of the statutes is amended to read:

ASSEMBLY BILL 881**SECTION 19**

1 66.1105 (18) (c) 2. Notwithstanding the provisions under sub. (2) (f) 1. k., ~~m.~~,
2 and n., a multijurisdictional tax incremental district may not incur project costs for
3 any area that is outside of the district's boundaries.

4 **SECTION 20.** 70.05 (4n) of the statutes is amended to read:

5 70.05 (4n) If a taxation district assessor is requesting to view the interior of a
6 residence, the assessor shall provide written ~~notice~~ information to the property
7 owner of the property owner's rights regarding the inspection of the interior of the
8 owner's residence. The ~~notice~~ information shall be in substantially the following
9 form:

10 **PROPERTY OWNER RIGHTS**

11 You have the right to refuse entry into your residence pursuant to section 70.05
12 (4m) of the Wisconsin statutes. Entry to view your property is prohibited unless
13 voluntarily authorized by you. Pursuant to section 70.05 (4m) of the Wisconsin
14 statutes, you have the right to refuse a visual inspection of the interior of your
15 residence and your refusal to allow an interior inspection of your residence will not
16 be used as the sole reason for increasing your property tax assessment. Refusing
17 entry to your residence also does not prohibit you from objecting to your assessment
18 pursuant to section 70.47 (7) of the Wisconsin statutes. Please indicate your consent
19 or refusal to allow an interior visual inspection of your residence.

NOTE: This SECTION requires an assessor to provide written "information," rather than written "notice," to a property owner of the owner's rights regarding the inspection of the interior of the owner's residence.

20 **SECTION 21.** 70.11 (42) of the statutes is repealed.

NOTE: SECTIONS 22 and 130 to 131 transfer the contents of the hub facility exemption from ch. 70, Stats. (which relates to general property taxes) to ch. 76, Stats. (which relates to special property taxes).

21 **SECTION 22.** 70.48 of the statutes is amended to read:

ASSEMBLY BILL 881

1 **70.48 Assessor to attend board of review.** The assessor or the assessor's
2 authorized representative shall attend without order or subpoena all hearings before
3 the board of review and under oath submit to examination and fully disclose to the
4 board such information as the assessor may have touching the assessment and any
5 other matters pertinent to the inquiry being made. All part-time assessors shall
6 receive the same compensation for such attendance as is allowed to the members of
7 the board but no county assessor or member of a county assessor's staff shall receive
8 any compensation other than that person's regular salary for attendance at a board
9 of review. The clerk shall make all corrections to the assessment roll ordered by the
10 board of review, including all changes in the valuation of real property. When any
11 valuation of real property is changed, the clerk shall enter the valuation fixed by the
12 board ~~in red ink in the proper class above the figures of the assessor, and the figures~~
13 ~~of the assessor shall be crossed out with red ink~~ and enter a note of the valuation of
14 the assessor and the change to that valuation made by the board. The clerk shall also
15 enter upon the assessment roll, in the proper place, the names of all persons found
16 liable to taxation on personal property by the board of review, setting opposite such
17 names respectively the aggregate valuation of such property as determined by the
18 assessor, after deducting exemptions and making such corrections as the board has
19 ordered. All changes in valuation of personal property made by the board of review
20 shall be made in the same manner as changes in real estate.

NOTE: This SECTION requires a clerk, when any valuation of real property is changed, to enter a note of the valuation made by the assessor and the change to a valuation made by the board of review.

21 **SECTION 23.** 71.05 (6) (a) 1. (title) of the statutes is created to read:
22 71.05 (6) (a) 1. (title) 'Interest.'

NOTE: SECTIONS 23 to 25, 27, 28, 30, 32 to 37, 39, 40, and 43 to 49 create titles for subdivisions relating to additions for individual income tax.

ASSEMBLY BILL 881

1 **SECTION 24.** 71.05 (6) (a) 2. (title) of the statutes is created to read:

2 71.05 (6) (a) 2. (title) 'Losses.'

3 **SECTION 25.** 71.05 (6) (a) 3. (title) of the statutes is created to read:

4 71.05 (6) (a) 3. (title) 'Pre-1965 capital loss carry-over.'

5 **SECTION 26.** 71.05 (6) (a) 4. of the statutes is repealed.

NOTE: This SECTION repeals, from the list of additions for individual income tax, the amount of any lump sum distribution for employee benefit plans under the internal revenue code.

6 **SECTION 27.** 71.05 (6) (a) 5. (title) of the statutes is created to read:

7 71.05 (6) (a) 5. (title) 'Pre-1975 capital loss carry-over.'

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

9 71.05 (6) (a) 6. (title) 'Pre-1979 accumulated earnings and profits.'

10 **SECTION 29.** 71.05 (6) (a) 7. of the statutes is repealed.

NOTE: This SECTION repeals, from the list of additions for individual income tax, any amount deducted under the internal revenue code for charitable contributions by individuals who do not itemize deductions.

11 **SECTION 30.** 71.05 (6) (a) 8. (title) of the statutes is created to read:

12 71.05 (6) (a) 8. (title) 'Nonresident entertainer.'

13 **SECTION 31.** 71.05 (6) (a) 9. of the statutes is repealed.

NOTE: This SECTION repeals, from the list of additions for individual income tax, any amount excluded from adjusted gross income for gain on the sale of property by a trust under the internal revenue code.

14 **SECTION 32.** 71.05 (6) (a) 10. (title) of the statutes is created to read:

15 71.05 (6) (a) 10. (title) 'Farm losses.'

16 **SECTION 33.** 71.05 (6) (a) 12. (title) of the statutes is created to read:

17 71.05 (6) (a) 12. (title) 'Early withdrawal of savings penalty.'

18 **SECTION 34.** 71.05 (6) (a) 13. (title) of the statutes is created to read:

19 71.05 (6) (a) 13. (title) 'Taxes of fiduciary.'

20 **SECTION 35.** 71.05 (6) (a) 14. (title) of the statutes is created to read:

ASSEMBLY BILL 881

1 71.05 (6) (a) 14. (title) 'Accumulated earnings and profits.'

2 **SECTION 36.** 71.05 (6) (a) 15. (title) of the statutes is created to read:

3 71.05 (6) (a) 15. (title) 'Credits of pass-through entities.'

4 **SECTION 37.** 71.05 (6) (a) 16. (title) of the statutes is created to read:

5 71.05 (6) (a) 16. (title) 'Marital property exchange.'

6 **SECTION 38.** 71.05 (6) (a) 17. of the statutes is repealed.

NOTE: This SECTION repeals, from the list of additions for individual income tax, the amount received for the farmland tax relief credit or farmland preservation credit, or both, that is not included in the federal adjusted gross income.

7 **SECTION 39.** 71.05 (6) (a) 18. (title) of the statutes is created to read:

8 71.05 (6) (a) 18. (title) 'Moving expense deduction.'

9 **SECTION 40.** 71.05 (6) (a) 20. (title) of the statutes is created to read:

10 71.05 (6) (a) 20. (title) 'Excess distribution.'

11 **SECTION 41.** 71.05 (6) (a) 21. of the statutes is repealed.

NOTE: SECTIONS 41 and 42 repeal statutes that are obsolete because they apply to taxable years that begin before January 1, 2009.

12 **SECTION 42.** 71.05 (6) (a) 22. of the statutes is repealed.

13 **SECTION 43.** 71.05 (6) (a) 23. (title) of the statutes is created to read:

14 71.05 (6) (a) 23. (title) 'Unlawful discrimination claim deduction.'

15 **SECTION 44.** 71.05 (6) (a) 24. (title) of the statutes is created to read:

16 71.05 (6) (a) 24. (title) 'Related entities.'

17 **SECTION 45.** 71.05 (6) (a) 25. (title) of the statutes is created to read:

18 71.05 (6) (a) 25. (title) 'Manufacturing and agriculture credit.'

19 **SECTION 46.** 71.05 (6) (a) 26. (title) of the statutes is created to read:

20 71.05 (6) (a) 26. (title) 'College savings account distributions.'

21 **SECTION 47.** 71.05 (6) (a) 27. (title) of the statutes is created to read:

22 71.05 (6) (a) 27. (title) 'ABLE account distributions.'

ASSEMBLY BILL 881

1 **SECTION 48.** 71.05 (6) (a) 28. (title) of the statutes is created to read:

2 71.05 (6) (a) 28. (title) 'ABLE account terminations.'

3 **SECTION 49.** 71.05 (6) (a) 29. (title) of the statutes is created to read:

4 71.05 (6) (a) 29. (title) 'Business moving expense deduction.'

5 **SECTION 50.** 71.05 (6) (b) 1. (title) of the statutes is created to read:

6 71.05 (6) (b) 1. (title) 'Tax-exempt interest.'

NOTE: SECTIONS 50 to 61, 66, 68 to 81, 84, 88, 89, 91, 92, and 95 to 101 create titles for subdivisions relating to subtractions for individual income tax.

7 **SECTION 51.** 71.05 (6) (b) 2. (title) of the statutes is created to read:

8 71.05 (6) (b) 2. (title) 'Nonallocated and nonapportioned income.'

9 **SECTION 52.** 71.05 (6) (b) 3. (title) of the statutes is created to read:

10 71.05 (6) (b) 3. (title) 'Other nontaxable income.'

11 **SECTION 53.** 71.05 (6) (b) 3m. (title) of the statutes is created to read:

12 71.05 (6) (b) 3m. (title) 'Manufacturing sales tax credit.'

13 **SECTION 54.** 71.05 (6) (b) 4. (title) of the statutes is created to read:

14 71.05 (6) (b) 4. (title) 'Disability payments.'

15 **SECTION 55.** 71.05 (6) (b) 5. (title) of the statutes is created to read:

16 71.05 (6) (b) 5. (title) 'Recoveries of federal itemized deductions.'

17 **SECTION 56.** 71.05 (6) (b) 6. (title) of the statutes is created to read:

18 71.05 (6) (b) 6. (title) 'Small business stock.'

19 **SECTION 57.** 71.05 (6) (b) 8. (title) of the statutes is created to read:

20 71.05 (6) (b) 8. (title) 'Unemployment compensation.'

21 **SECTION 58.** 71.05 (6) (b) 9. (title) of the statutes is created to read:

22 71.05 (6) (b) 9. (title) 'Capital gain exclusion.'

23 **SECTION 59.** 71.05 (6) (b) 9m. (title) of the statutes is created to read:

ASSEMBLY BILL 881

1 71.05 (6) (b) 9m. (title) ‘Farm assets capital gain exclusion.’

2 **SECTION 60.** 71.05 (6) (b) 10. (title) of the statutes is created to read:

3 71.05 (6) (b) 10. (title) ‘Farm losses.’

4 **SECTION 61.** 71.05 (6) (b) 12. (title) of the statutes is created to read:

5 71.05 (6) (b) 12. (title) ‘Marital property exchange.’

6 **SECTION 62.** 71.05 (6) (b) 13. of the statutes is repealed.

NOTE: SECTIONS 62 and 63 repeal, from the list of subtractions for individual income tax, amounts of income or compensation received for services performed for Operation Desert Shield or Operation Desert Storm. SECTION 127 deletes a statute that is obsolete after the repeal of the statutes in SECTIONS 62 and 63.

7 **SECTION 63.** 71.05 (6) (b) 14. of the statutes is repealed.

8 **SECTION 64.** 71.05 (6) (b) 17. of the statutes is repealed.

NOTE: This SECTION repeals a statute that is obsolete because it applies to taxable years that begin before January 1, 1994.

9 **SECTION 65.** 71.05 (6) (b) 18. of the statutes is repealed.

NOTE: This SECTION repeals a statute that is obsolete because it applies to taxable years that begin before January 1, 1995.

10 **SECTION 66.** 71.05 (6) (b) 19. (title) of the statutes is created to read:

11 71.05 (6) (b) 19. (title) ‘Medical care insurance of self-employed.’

12 **SECTION 67.** 71.05 (6) (b) 20. of the statutes is repealed.

NOTE: This SECTION repeals a statute that is obsolete because it applies to taxable years that begin before January 1, 2006.

13 **SECTION 68.** 71.05 (6) (b) 21. (title) of the statutes is created to read:

14 71.05 (6) (b) 21. (title) ‘Social security benefits.’

15 **SECTION 69.** 71.05 (6) (b) 22. (title) of the statutes is created to read:

16 71.05 (6) (b) 22. (title) ‘Adoption fees.’

17 **SECTION 70.** 71.05 (6) (b) 23. (title) of the statutes is created to read:

18 71.05 (6) (b) 23. (title) ‘Tuition unit.’

19 **SECTION 71.** 71.05 (6) (b) 25. (title) of the statutes is created to read:

ASSEMBLY BILL 881**SECTION 71**

- 1 71.05 (6) (b) 25. (title) ‘Business assets and assets used in farming.’
- 2 **SECTION 72.** 71.05 (6) (b) 26. (title) of the statutes is created to read:
- 3 71.05 (6) (b) 26. (title) ‘Long-term care insurance.’
- 4 **SECTION 73.** 71.05 (6) (b) 28. (title) of the statutes is created to read:
- 5 71.05 (6) (b) 28. (title) ‘Tuition and fee expenses.’
- 6 **SECTION 74.** 71.05 (6) (b) 29. (title) of the statutes is created to read:
- 7 71.05 (6) (b) 29. (title) ‘Repayment of income previously taxed.’
- 8 **SECTION 75.** 71.05 (6) (b) 30. (title) of the statutes is created to read:
- 9 71.05 (6) (b) 30. (title) ‘Persecution settlements.’
- 10 **SECTION 76.** 71.05 (6) (b) 31. (title) of the statutes is created to read:
- 11 71.05 (6) (b) 31. (title) ‘College savings account earnings.’
- 12 **SECTION 77.** 71.05 (6) (b) 32. (title) of the statutes is created to read:
- 13 71.05 (6) (b) 32. (title) ‘College savings account contribution.’
- 14 **SECTION 78.** 71.05 (6) (b) 32m. (title) of the statutes is created to read:
- 15 71.05 (6) (b) 32m. (title) ‘College savings account rollover contribution.’
- 16 **SECTION 79.** 71.05 (6) (b) 33. (title) of the statutes is created to read:
- 17 71.05 (6) (b) 33. (title) ‘College tuition and expenses program contribution.’
- 18 **SECTION 80.** 71.05 (6) (b) 34. (title) of the statutes is created to read:
- 19 71.05 (6) (b) 34. (title) ‘Basic, special, and incentive pay of reservists.’
- 20 **SECTION 81.** 71.05 (6) (b) 35. (title) of the statutes is created to read:
- 21 71.05 (6) (b) 35. (title) ‘Medical care insurance; employer pays no amount.’
- 22 **SECTION 82.** 71.05 (6) (b) 36. of the statutes is repealed.

NOTE: This SECTION repeals a statute that is obsolete because it applies to taxable years that begin before January 1, 2008.

- 23 **SECTION 83.** 71.05 (6) (b) 37. of the statutes is repealed.

ASSEMBLY BILL 881

NOTE: This SECTION repeals a statute that is obsolete because it applies to taxable years that begin before January 1, 2011.

1 **SECTION 84.** 71.05 (6) (b) 38. (title) of the statutes is created to read:

2 71.05 (6) (b) 38. (title) 'Medical care insurance of unemployed.'

3 **SECTION 85.** 71.05 (6) (b) 39. of the statutes is repealed.

NOTE: This SECTION repeals a statute that is obsolete because it applies to taxable years that begin before January 1, 2011.

4 **SECTION 86.** 71.05 (6) (b) 40. of the statutes is repealed.

NOTE: This SECTION repeals a statute that is obsolete because it applies to taxable years that begin before January 1, 2012.

5 **SECTION 87.** 71.05 (6) (b) 41. of the statutes is repealed.

NOTE: This SECTION repeals a statute that is obsolete because it applies to taxable years that begin before January 1, 2013.

6 **SECTION 88.** 71.05 (6) (b) 42. (title) of the statutes is created to read:

7 71.05 (6) (b) 42. (title) 'Medical care insurance; employer pays portion of cost.'

8 **SECTION 89.** 71.05 (6) (b) 43. (title) of the statutes is created to read:

9 71.05 (6) (b) 43. (title) 'Household and dependent care expenses.'

10 **SECTION 90.** 71.05 (6) (b) 44. of the statutes is repealed.

NOTE: This SECTION repeals a statute that is obsolete because it applies to taxable years that end before January 1, 2015.

11 **SECTION 91.** 71.05 (6) (b) 45. (title) of the statutes is created to read:

12 71.05 (6) (b) 45. (title) 'Related entities.'

13 **SECTION 92.** 71.05 (6) (b) 46. (title) of the statutes is created to read:

14 71.05 (6) (b) 46. (title) 'Related entities unable to offset amount.'

15 **SECTION 93.** 71.05 (6) (b) 47. of the statutes, as affected by 2019 Wisconsin Act
16 54, is repealed.

NOTE: This SECTION repeals a statute that is obsolete because it applies to taxable years that begin before January 1, 2014. SECTION 124 deletes a statute that is obsolete after the repeal of the statute in this SECTION.

17 **SECTION 94.** 71.05 (6) (b) 47m. of the statutes is repealed.

ASSEMBLY BILL 881

NOTE: This SECTION repeals a statute that is obsolete because it does not apply to taxable years that begin after December 31, 2014.

1 **SECTION 95.** 71.05 (6) (b) 48. (title) of the statutes is created to read:
2 71.05 (6) (b) 48. (title) 'Combat zone related death; basic, special, or incentive
3 pay.'

4 **SECTION 96.** 71.05 (6) (b) 48m. (title) of the statutes is created to read:
5 71.05 (6) (b) 48m. (title) 'Combat zone related death; other income.'

6 **SECTION 97.** 71.05 (6) (b) 49. (title) of the statutes is created to read:
7 71.05 (6) (b) 49. (title) 'Private school tuition.'

8 **SECTION 98.** 71.05 (6) (b) 50. (title) of the statutes is created to read:
9 71.05 (6) (b) 50. (title) 'Federal and Wisconsin basis difference.'

10 **SECTION 99.** 71.05 (6) (b) 51. (title) of the statutes is created to read:
11 71.05 (6) (b) 51. (title) 'Physician or psychiatrist grant.'

12 **SECTION 100.** 71.05 (6) (b) 52. (title) of the statutes is created to read:
13 71.05 (6) (b) 52. (title) 'ABLE account contribution.'

14 **SECTION 101.** 71.05 (6) (b) 53. (title) of the statutes is created to read:
15 71.05 (6) (b) 53. (title) 'Olympic, Paralympic, or Special Olympic medals and
16 payments.'

17 **SECTION 102.** 71.05 (22) (f) 1. of the statutes is repealed.

18 **SECTION 103.** 71.05 (22) (f) 2. of the statutes is repealed.

19 **SECTION 104.** 71.05 (22) (f) 3. of the statutes is repealed.

20 **SECTION 105.** 71.07 (5) (a) 15. of the statutes is amended to read:

21 71.07 (5) (a) 15. The amount claimed as a deduction for medical care insurance
22 under section 213 of the Internal Revenue Code that is exempt from taxation under
23 s. 71.05 (6) (b) ~~17. to 20. 19., 35., 36., 37., 38., 39., 40., 41.,~~ and 42. and the amount

ASSEMBLY BILL 881

1 claimed as a deduction for a long-term care insurance policy under section 213 (d)
2 (1) (D) of the Internal Revenue Code, as defined in section 7702B (b) of the Internal
3 Revenue Code that is exempt from taxation under s. 71.05 (6) (b) 26.

NOTE: This SECTION deletes cross-references to statutes that are repealed by this
bill.

4 **SECTION 106.** 71.07 (6) (am) 1. of the statutes is amended to read:

5 71.07 (6) (am) 1. ~~In this paragraph~~ For purposes of subd. 1m., “earned income”
6 means qualified earned income, as defined in section 221 (b) of the internal revenue
7 code as amended to December 31, 1985, plus employee business expenses under
8 section 62 (2) (B) to (D) of that code, allocable to Wisconsin under s. 71.04, plus
9 amounts received by the individual for services performed in the employ of the
10 individual’s spouse minus the amount of disability income excluded under s. 71.05
11 (6) (b) 4. and minus any other amount not subject to tax under this chapter wages,
12 salaries, or professional fees, and other amounts received as compensation for
13 personal services actually rendered, but does not include that part of the
14 compensation derived by the taxpayer for personal services rendered by him or her
15 to a corporation which represents a distribution of earnings or profits rather than a
16 reasonable allowance as compensation for the personal services actually rendered.
17 In the case of a taxpayer engaged in a trade or business in which both personal
18 services and capital are material income-producing factors, under federal
19 regulations, a reasonable allowance as compensation for the personal services
20 rendered by the taxpayer shall be considered as earned income. Earned income does
21 not include any amount not included in gross income, received as a pension or
22 annuity, paid or distributed out of an individual retirement plan (within the meaning
23 of section 7701 (a) (37) of the Internal Revenue Code), received as deferred

ASSEMBLY BILL 881**SECTION 106**

1 compensation, or received for services, not in the course of the employer's trade or
2 business, or domestic service in a private home of the employer, performed by an
3 individual in the employ of his or her spouse. Earned income is computed
4 notwithstanding the fact that each spouse owns an undivided one-half interest in
5 the whole of the marital property. A marital property agreement or unilateral
6 statement under ch. 766 transferring income between spouses has no effect in
7 computing earned income under this paragraph.

NOTE: This SECTION incorporates the text of the definition of "earned income" from the Internal Revenue Code.

8 **SECTION 107.** 71.07 (6) (am) 1m. of the statutes is created to read:

9 71.07 (6) (am) 1m. In this paragraph, "qualified earned income" means an
10 amount equal to the excess of the earned income of the spouse for the taxable year,
11 over an amount equal to the sum of the deductions described in paragraphs (1), (2)
12 (B), (C), and (E), (6), (7), and (12) of section 62 (a) of the Internal Revenue Code to the
13 extent such deductions are properly allocable to or chargeable against earned
14 income, allocable to Wisconsin under s. 71.04, minus the amount of disability income
15 excluded under s. 71.05 (6) (b) 4. and minus any other amount not subject to tax
16 under this chapter.

NOTE: This SECTION incorporates the text of the definition of "qualified earned income" from the Internal Revenue Code. Because this SECTION defines "qualified earned income" separately from "earned income," SECTION 108 also replaces the phrase "earned income" with "qualified earned income."

17 **SECTION 108.** 71.07 (6) (am) 2. d. of the statutes is amended to read:

18 71.07 (6) (am) 2. d. For taxable years beginning after December 31, 2000, 3
19 percent of the qualified earned income of the spouse with the lower qualified earned
20 income, but not more than \$480.

21 **SECTION 109.** 71.07 (8) of the statutes is repealed.

ASSEMBLY BILL 881

NOTE: This SECTION repeals a personal exemption credit that does not apply for taxable years that begin after December 31, 1999. SECTIONS 103, 104, 105, 120, 122, 126, and 127 repeal statutes that cross-reference the personal exemption credit and are obsolete.

1 **SECTION 110.** 71.07 (9e) (a) of the statutes is repealed.

NOTE: SECTIONS 110 to 114, 116, and 117 repeal statutes that are obsolete because they apply to taxable years that begin before January 1, 1994, 1995, 1996, or 2011.

2 **SECTION 111.** 71.07 (9e) (ac) of the statutes is repealed.

3 **SECTION 112.** 71.07 (9e) (ad) of the statutes is repealed.

4 **SECTION 113.** 71.07 (9e) (af) of the statutes is repealed.

5 **SECTION 114.** 71.07 (9e) (ah) of the statutes is repealed.

6 **SECTION 115.** 71.07 (9e) (aj) (intro.) of the statutes is amended to read:

7 71.07 **(9e)** (aj) (intro.) For taxable years beginning after December 31, 2010, an
8 individual may credit against the tax imposed under s. 71.02 an amount equal to one
9 of the following percentages of the federal basic earned income credit for which the
10 person is eligible for the taxable year under section 32 ~~(b) (1) (A) to (C)~~ of the Internal
11 Revenue Code:

NOTE: This SECTION changes an incorrect reference to the Internal Revenue Code.

12 **SECTION 116.** 71.07 (9e) (ap) of the statutes is repealed.

13 **SECTION 117.** 71.07 (9e) (at) of the statutes is repealed.

14 **SECTION 118.** 71.07 (9e) (g) 2. of the statutes is amended to read:

15 71.07 **(9e)** (g) 2. The advance payment amount that an individual's employer
16 shall add to the individual's paycheck, as described in subd. 1., shall be equal to a
17 percentage of the amount that the individual's employer adds to the individual's
18 paycheck as an advance earned income tax credit payment under federal law. The
19 percentage shall be ~~the same percentage as is specified in par. (af), based on the~~
20 ~~number of qualifying children that the individual has~~ 4 percent if the individual has

ASSEMBLY BILL 881**SECTION 118**

1 one qualifying child, 14 percent if the individual has 2 qualifying children, or 43
2 percent if the individual has 3 or more qualifying children.

NOTE: This SECTION incorporates the contents of s. 71.07 (9e) (af), 2017 Stats., because the latter statute was repealed by SECTION 113.

3 **SECTION 119.** 71.10 (4) (b) of the statutes is repealed.

4 **SECTION 120.** 71.10 (4) (j) of the statutes is amended to read:

5 71.10 (4) (j) Any amount computed under s. 71.83 (1) (a) 6., (c), (ce), (cf), and
6 (d).

NOTE: This SECTION adds, for purposes of the computation order, penalties relating to retirement plans, health savings account withdrawals, inconsistent estate basis reporting, and sale of certain assets or assets used in farming.

7 **SECTION 121.** 71.15 (2) of the statutes is repealed.

8 **SECTION 122.** 71.22 (11) of the statutes is amended to read:

9 71.22 (11) Except as provided in s. 71.45 (2), “Wisconsin net income”, for
10 corporations engaged in business wholly within this state, means net income and,
11 for corporations engaged in business both within and outside this state, means the
12 amount assigned to this state under s. 71.25 (6), (10) (c) or (13) or by a separate
13 accounting or allocation, if allowed under s. 71.25 (6), or by another method approved
14 under s. 71.25 (11), or (12) or (14).

15 **SECTION 123.** 71.25 (14) of the statutes is repealed.

NOTE: This SECTION repeals the alternative allocation method for corporations, which was available upon request on or before January 1, 2000. SECTION 123 deletes a cross-reference to this method.

16 **SECTION 124.** 71.26 (2) (a) 10. of the statutes is repealed.

17 **SECTION 125.** 71.66 (2) (c) of the statutes is repealed.

18 **SECTION 126.** 71.66 (2) (d) of the statutes is repealed.

19 **SECTION 127.** 71.85 (3) of the statutes is repealed.

20 **SECTION 128.** 73.06 (1) of the statutes is amended to read:

ASSEMBLY BILL 881

1 73.06 (1) The department of revenue, through its supervisors of equalization,
2 shall have complete supervision and direction of the work of the local assessors. It
3 shall annually, or more often if deemed necessary at a time which in its judgment is
4 best calculated to obtain the ends sought, call a meeting of all local assessors for
5 conference and instruction relative to their duties in the valuation and assessment
6 of property. The department of revenue may also call a similar meeting of local clerks
7 and other officials for conference and instruction relative to their duties in the
8 valuation and assessment of property. Each official upon notice by mail from the
9 supervisor shall attend the meeting, and an official other than a local assessor shall
10 receive travel expenses from his or her residence to the meeting site and return and
11 the compensation and mileage that the board establishes, but not less than \$5 per
12 day and 6 cents per mile; except that in counties having a population of 750,000 or
13 more, no compensation, travel expense or mileage shall be allowed. This
14 compensation shall be paid out of the treasury of the county in which the local official
15 resides upon the certificate of the supervisor of equalization showing attendance and
16 travel, as certificates of witnesses and jurors are paid.

NOTE: This SECTION makes a local assessor ineligible for per diem and mileage reimbursement for attending training held by the Department of Revenue.

17 **SECTION 129.** 76.02 (1) of the statutes is amended to read:

18 76.02 (1) “Air carrier company” means any person engaged in the business of
19 transportation in aircraft of persons or property for hire on regularly scheduled
20 flights, ~~except an air carrier company whose property is exempt from taxation under~~
21 ~~s. 70.11 (42) (b).~~ In this subsection, “aircraft” means a completely equipped operating
22 unit, including spare flight equipment, used as a means of conveyance in air
23 commerce.

ASSEMBLY BILL 881

1 **SECTION 130.** 76.02 (4m) of the statutes is created to read:

2 76.02 (4m) “Hub facility” means any of the following:

3 (a) A facility at an airport from which an air carrier company operated at least
4 45 common carrier departing flights each weekday in the prior year and from which
5 it transported passengers to at least 15 nonstop destinations, as defined by rule by
6 the department, or transported cargo to nonstop destinations, as defined by rule by
7 the department.

8 (b) An airport or any combination of airports in this state from which an air
9 carrier company cumulatively operated at least 20 common carrier departing flights
10 each weekday in the prior year, if the air carrier company’s headquarters, as defined
11 by rule by the department, is in this state.

12 **SECTION 131.** 76.025 (5) of the statutes is created to read:

13 76.025 (5) Property owned by an air carrier company that operates a hub
14 facility in this state is exempt from taxation under this subchapter if the property
15 is used in the operation of the air carrier company.

16 **SECTION 132.** 76.04 (3) of the statutes is created to read:

17 76.04 (3) An air carrier company claiming the hub facility exemption under s.
18 76.025 (5) shall annually file with the department, on a form prescribed by the
19 department, a request for the exemption no later than March 1. A request is timely
20 filed under this subsection if received by the department no later than March 1.

NOTE: SECTION 132 requires an air carrier company that claims the hub facility exemption to file an annual request for the exemption no later than March 1. The request is filed with the department of revenue.

21 **SECTION 133.** 76.31 of the statutes is amended to read:

22 **76.31 Determination of ad valorem tax receipts for hub facility**
23 **exemptions.** ~~By July 1, 2004, and every~~ Annually, no later than July 1 thereafter,

ASSEMBLY BILL 881

1 the department shall determine the total amount of the tax imposed under subch.
2 I of ch. 76 this subchapter that was paid by each air carrier company, as defined in
3 s. 70.11 (42) (a) 1., whose property is exempt from taxation under s. 70.11 (42) (b)
4 76.025 (5) for the most recent taxable year that the air carrier company paid the tax
5 imposed under subch. I of ch. 76 this subchapter. The total amount determined
6 under this section shall be transferred under s. 20.855 (4) (fm) to the transportation
7 fund.

NOTE: SECTIONS 133 and 137 change cross-references to the hub facility exemption
to reflect the transfer of the exemption from ch. 70, Stats., to ch. 76, Stats. SECTION 133
also makes other technical changes.

8 **SECTION 134.** 77.54 (20n) (b) of the statutes is amended to read:

9 77.54 (20n) (b) The sales price from the sale of and the storage, use, or other
10 consumption of food and food ingredients, except soft drinks, sold by hospitals,
11 sanatoriums, nursing homes, retirement homes, and community-based residential
12 facilities, as defined in s. 50.01 (1g), and any facility certified or licensed under ch.
13 48, including prepared food that is sold to the elderly or ~~handicapped~~ disabled by
14 persons providing mobile meals on wheels. In this paragraph, “retirement home”
15 means a nonprofit residential facility where 3 or more unrelated adults or their
16 spouses have their principal residence and where support services, including meals
17 from a common kitchen, are available to residents.

NOTE: This SECTION replaces the term “handicapped” with “disabled” in a sales tax
exemption for food sold to the elderly or disabled.

18 **SECTION 135.** 77.94 (1) of the statutes is amended to read:

19 77.94 (1) ~~Except as provided in sub. (2), the~~ The surcharge imposed under s.
20 77.93 is an amount equal to the amount calculated by multiplying gross tax liability
21 for the taxable year of the corporation by 3 percent, or in the case of a tax-option
22 corporation an amount equal to the amount calculated by multiplying net income

ASSEMBLY BILL 881**SECTION 135**

1 under s. 71.34 by 0.2 percent, up to a maximum of \$9,800, or \$25, whichever is
2 greater.

3 **SECTION 136.** 77.94 (2) of the statutes is repealed.

NOTE: This SECTION repeals an economic development surcharge computation.
SECTION 136 deletes a cross-reference to this computation.

4 **SECTION 137.** 78.55 (1) of the statutes is amended to read:

5 78.55 (1) "Air carrier company" has the meaning given in s. ~~70.11 (42) (a) 1.~~
6 76.02 (1).

7 **SECTION 138.** 120.135 of the statutes is repealed.

NOTE: This SECTION repeals a statute relating to capital improvement funds for
schools. SECTION 139 deletes a cross-reference to this statute. SECTION 140 repeals a
statute that is obsolete after the repeal of the statute in this SECTION.

8 **SECTION 139.** 121.07 (6) (a) (intro.) of the statutes is amended to read:

9 121.07 (6) (a) (intro.) "Shared cost" is the sum of the net cost of the general fund
10 and the net cost of the debt service fund, except that "shared cost" excludes any costs,
11 including attorney fees, incurred by a school district as a result of its participation
12 in a lawsuit commenced against the state, beginning with such costs incurred in the
13 fiscal year in which the lawsuit is commenced, excludes any expenditures from a
14 ~~capital improvement fund created under s. 120.135~~ or a capital improvement trust
15 fund created under s. 120.137, excludes any debt service costs associated with an
16 environmental remediation project under s. 67.05 (7) (er), and excludes the costs of
17 transporting those transfer pupils for whom the school district operating under ch.
18 119 does not receive intradistrict transfer aid under s. 121.85 (6) as a result of s.
19 121.85 (6) (am). In this paragraph:

20 **SECTION 140.** 121.91 (4) (h) of the statutes is repealed.

21 **SECTION 141.** 227.53 (1) (b) 1. of the statutes is amended to read:

ASSEMBLY BILL 881

1 227.53 (1) (b) 1. The tax appeals commission, the department of revenue,
2 except that if the petitioner is the department of revenue, the prevailing parties
3 before the tax appeals commission shall be the named respondents.

NOTE: This SECTION provides that, in a petition for review of a Tax Appeals Commission decision, the prevailing parties before the commission are the named respondents if the petitioner is the Department of Revenue.

4 SECTION 142. Initial applicability.

5 (1) HUB FACILITY EXEMPTION. The treatment of ss. 70.11 (42), 76.02 (1) and (4m),
6 76.025 (5), 76.04 (3), 76.31, and 78.55 (1) first applies to the property tax assessments
7 as of January 1, 2020.

8 (2) REPEALING OBSOLETE REFERENCES AND UPDATING REFERENCES. The treatment
9 of ss. 71.05 (22) (f) 1., 2., and 3., 71.07 (6) (am) 1., 1m., and 2. d., (8), and (9e) (a), (ac),
10 (ad), (af), (ah), (aj) (intro.), (ap), (at), and (g) 2., 71.10 (4) (b) and (j), 71.15 (2), 71.22
11 (11), 71.25 (14), 71.66 (2) (c) and (d), and 77.94 (1) and (2) first applies to taxable years
12 beginning after December 31, 2018.

13 (3) ADDING TITLES AND REPEALING OBSOLETE ADDITIONS AND SUBTRACTIONS. The
14 treatment of ss. 71.05 (6) (a) 1. (title), 2. (title), 3. (title), 4., 5. (title), 6. (title), 7., 8.
15 (title), 9., 10. (title), 12. (title), 13. (title), 14. (title), 15. (title), 16. (title), 17., 18. (title),
16 20. (title), 21., 22., 23. (title), 24. (title), 25. (title), 26. (title), 27. (title), 28. (title), and
17 29. (title) and (b) 1. (title), 2. (title), 3. (title), 3m. (title), 4. (title), 5. (title), 6. (title),
18 8. (title), 9. (title), 9m. (title), 10. (title), 12. (title), 13., 14., 17., 18., 19. (title), 20., 21.
19 (title), 22. (title), 23. (title), 25. (title), 26. (title), 28. (title), 29. (title), 30. (title), 31.
20 (title), 32. (title), 32m. (title), 33. (title), 34. (title), 35. (title), 36., 37., 38. (title), 39.,
21 40., 41., 42. (title), 43. (title), 44., 45. (title), 46. (title), 47., 47m., 48. (title), 48m.
22 (title), 49. (title), 50. (title), 51. (title), 52. (title), and 53. (title) and 71.07 (5) (a) 15.,

ASSEMBLY BILL 881

SECTION 142

1 71.26 (2) (a) 10., and 71.85 (3) first applies to taxable years beginning on January 1,
2 2019.

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

5 (1) REIMBURSEMENT FOR TRAINING. The treatment of s. 73.06 (1) takes effect on
6 January 1 of the year following the year in which this subsection takes effect.

7 (END)