



State of Wisconsin  
2021 - 2022 LEGISLATURE

LRBs0020/1  
JK:cdc

**SENATE SUBSTITUTE AMENDMENT 1,  
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 (6) (a)  
11 30., 71.05 (6) (b) 4. a. to c., 71.05 (6) (b) 19. cm., 71.05 (6) (b) 19. dm., 71.05 (6)  
12 (b) 54., 71.22 (4) (j) 3. m., 71.22 (4) (j) 3. n., 71.22 (4) (m), 71.22 (4m) (j) 3. m., 71.22  
13 (4m) (j) 3. n., 71.22 (4m) (m), 71.22 (5g), 71.26 (2) (a) 13., 71.26 (2) (b) 13., 71.26  
14 (2) (b) 14., 71.26 (3) (ag) 2., 71.34 (1g) (j) 3. m., 71.34 (1g) (j) 3. n., 71.34 (1g) (m),  
15 71.34 (1k) (af), 71.34 (1k) (q), 71.34 (1u), 71.42 (2) (j) 3. m., 71.42 (2) (j) 3. n., 71.42  
16 (2) (m), 71.42 (2p), 71.45 (1) (d), 71.45 (2) (a) 22., 71.45 (2) (a) 23., 71.52 (1g),  
17 71.76 (2), 73.135, 74.315 (1m) and 77.61 (5) (b) 8m. of the statutes; **relating to:**  
18 various changes to the laws administered and enforced by the Department of  
19 Revenue and making an appropriation.

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***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*****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.

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***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  
11 deducting all or part of that amount from any state payment due that county under  
12 s. ~~79.035, 79.04, or 79.08~~ 79.02 (1). The department of administration shall notify  
13 the department of revenue, by September 15 of each year, of the amount to be  
14 deducted from the state payments due under s. ~~79.035, 79.04, or 79.08~~ 79.02 (1). The  
15 department of administration shall credit all amounts collected under this  
16 paragraph to the appropriation account under s. 20.437 (1) (kw) and shall notify the  
17 county from which those amounts are collected of that collection. The department

1 may not expend any moneys from the appropriation account under s. 20.437 (1) (cx)  
2 for providing services to children and families under s. 48.48 (17) until the amounts  
3 in the appropriation account under s. 20.437 (1) (kw) are exhausted.

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

5 59.25 (3) (i) Make annually, on the 3rd Monday of March, a certified statement,  
6 and forward the statement to each municipal clerk in the county, showing the  
7 amount of money paid from the county treasury during the year next preceding to  
8 each municipal treasurer in the county. The statement shall specify the date of each  
9 payment, the amount thereof and the account upon which the payment was made.  
10 ~~It shall be unlawful for any county treasurer to pay to the treasurer of any town any~~  
11 ~~money in the hands of the county treasurer belonging to the town from the 3rd~~  
12 ~~Monday of March until 10 days after the annual town meeting except upon the~~  
13 ~~written order of the town board.~~

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

15 66.0602 (3) (h) 2. a. The total charges assessed by the joint fire department or  
16 the joint emergency medical services district for the current year increase, relative  
17 to the total charges assessed by the joint fire department or the joint emergency  
18 medical services district for the previous year, by a percentage that is less than or  
19 equal to the percentage change in the U.S. consumer price index for all urban  
20 consumers, U.S. city average, as determined by the U.S. department of labor, for the  
21 12 months ending on ~~September 30~~ August 31 of the year of the levy, plus 2 percent.

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

23 66.0602 (6) (a) Reduce the amount of ~~county and municipal aid payments the~~  
24 payment to the political subdivision under s. ~~79.035~~ 79.02 (1) in the following year  
25 by an amount equal to the amount of the penalized excess.



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

2           66.0602 **(6)** (b) Ensure that the amount of any reductions in ~~county and~~  
3 ~~municipal aid~~ payments under par. (a) lapses to the general fund.

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

5           66.1105 **(6m)** (d) 4. If an annual report is not timely filed under par. (c), the  
6 department of revenue shall notify the city that the report is past due. If the city does  
7 not file the report within 60 days of the date on the notice, except as provided in this  
8 subdivision, the department shall charge the city a fee of \$100 per day for each day  
9 that the report is past due, up to a maximum penalty of \$6,000 per report. If the city  
10 does not pay within 30 days of issuance, the department of revenue shall reduce and  
11 withhold the amount of the shared revenue payments to the city under ~~subch. I of~~  
12 ~~ch. 79 s. 79.02 (1)~~, in the following year, by an amount equal to the unpaid penalty.

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

14           70.46 **(4)** No board of review may be constituted unless it ~~includes at least one~~  
15 ~~voting member who, within 2 years of the board's first meeting, has attended at least~~  
16 one member completes in each year a training session under s. 73.03 (55) ~~and unless~~  
17 ~~that member is the municipality's chief executive officer or that officer's designee.~~  
18 The municipal clerk shall provide an affidavit to the department of revenue stating  
19 whether the requirement under this subsection has been fulfilled.

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

21           70.855 **(4)** (b) If the department of revenue does not receive the fee imposed on  
22 a municipality under par. (a) by March 31 of the year following the department's  
23 determination under sub. (2) (b), the department shall reduce the distribution made  
24 to the municipality under s. 79.02 ~~(2) (b)~~ (1) by the amount of the fee and shall  
25 transfer that amount to the appropriation under s. 20.566 (2) (ga).

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

2           70.995 (8) (c) 1. All objections to the amount, valuation, taxability, or change  
3 from assessment under this section to assessment under s. 70.32 (1) of property shall  
4 be first made in writing on a form prescribed by the department of revenue that  
5 specifies that the objector shall set forth the reasons for the objection, the objector's  
6 estimate of the correct assessment, and the basis under s. 70.32 (1) for the objector's  
7 estimate of the correct assessment. An objection shall be filed with the state board  
8 of assessors within the time prescribed in par. (b) 1. A ~~\$45~~ \$200 fee shall be paid when  
9 the objection is filed unless a fee has been paid in respect to the same piece of property  
10 and that appeal has not been finally adjudicated. The objection is not filed until the  
11 fee is paid. Neither the state board of assessors nor the tax appeals commission may  
12 waive the requirement that objections be in writing. Persons who own land and  
13 improvements to that land may object to the aggregate value of that land and  
14 improvements to that land, but no person who owns land and improvements to that  
15 land may object only to the valuation of that land or only to the valuation of  
16 improvements to that land.

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

18           70.995 (8) (d) A municipality may file an objection with the state board of  
19 assessors to the amount, valuation, or taxability under this section or to the change  
20 from assessment under this section to assessment under s. 70.32 (1) of a specific  
21 property having a situs in the municipality, whether or not the owner of the specific  
22 property in question has filed an objection. Objection shall be made on a form  
23 prescribed by the department and filed with the board within the time prescribed in  
24 par. (b) 1. If the person assessed files an objection and the municipality affected does  
25 not file an objection, the municipality affected may file an appeal to that objection

1 within 15 days after the person's objection is filed. A \$45 \$200 filing fee shall be paid  
2 when the objection is filed unless a fee has been paid in respect to the same piece of  
3 property and that appeal has not been finally adjudicated. The objection is not filed  
4 until the fee is paid. The board shall forthwith notify the person assessed of the  
5 objection filed by the municipality.

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

7 70.995 (14) (b) If the department of revenue does not receive the fee imposed  
8 on a municipality under par. (a) by March 31 of each year, the department shall  
9 reduce the distribution made to the municipality under s. 79.02 ~~(2)(b)~~ (1) by the  
10 amount of the fee.

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

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

13 71.01 (6) (j) 3. m. Sections 101 (m), (n), (o), (p), and (q), 104 (a), and 109 of  
14 division U of P.L. 115-141.

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

16 71.01 (6) (j) 3. n. Section 102 of division M and sections 110, 111, and 116 (b)  
17 of division O of P.L. 116-94.

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

19 71.01 (6) (k) 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, 2016, except that "Internal Revenue Code" includes sections 11024,  
22 11025, and 13543 of P.L. 115-97; sections 40307 and 40413 of P.L. 115-123; sections  
23 101 (m), (n), (o), (p), and (q), 104 (a), and 109 of division U of P.L. 115-141; and section  
24 102 of division M and sections 110, 111, and 116 (b) of division O of P.L. 116-94.

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

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

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

7           71.01 (6) (L) 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, 2017, except that “Internal Revenue Code” includes sections 40307,  
10 40413, and 41113 of P.L. 115-123; sections 101 (m), (n), (o), (p), and (q), 104 (a), 109,  
11 401 (a) (54) and (b) (15) (A), (B), and (C), 19, 20, 23, 26, 27, and 28 of division U of P.L.  
12 115-141; sections 102 and 104 of division M, sections 102, 103, 106, 107, 108, 109,  
13 110, 111, 113, 114, 115, 116, 201, 204, 205, 206, 302, 401, and 601 of division O, section  
14 1302 of division P, and sections 131, 202 (d), and 205 of division Q of P.L. 116-94;  
15 sections 1106, 2202, 2203, 2204, 2205, 2206, 2307, 3608, 3609, 3701, and 3702 of  
16 division A of P.L. 116-136; and sections 202, 208, 209, 211, and 214 of division EE and  
17 sections 276 (a) and (b), 277, 278 (a), (b), (c), and (d), 280, and 285 of division N of P.L.  
18 116-260.

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

20           71.01 (6) (L) 4. For purposes of this paragraph, the provisions of federal public  
21 laws that directly or indirectly affect the Internal Revenue Code, as defined in this  
22 paragraph, apply for Wisconsin purposes at the same time as for federal purposes,  
23 except that changes made by P.L. 115-63 and sections 11026, 11027, 11028, 13207,  
24 13306, 13307, 13308, 13311, 13312, 13501, 13705, 13821, and 13823 of P.L. 115-97  
25 first apply for taxable years beginning after December 31, 2017.

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

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

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

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

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

20 71.01 (7g) For purposes of s. 71.01 (6) (b), 2013 stats., “Internal Revenue Code”  
21 includes section 109 of division U of P.L. 115-141.

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

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

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

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

5           71.05 (1) (an) *Uniformed services retirement benefits*. All retirement payments  
6 received from the U.S. government that relate to service with the coast guard, the  
7 commissioned corps of the national oceanic and atmospheric administration, or the  
8 commissioned corps of the public health service, to the extent that such payments are  
9 not exempt under par. (a), ~~(ae)~~, or (am) or sub. (6) (b) 54.

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

11          71.05 (1) (h) *Grants to businesses harmed by the pandemic*. Income received  
12 in the form of a grant issued under s. 73.135.

13          **SECTION 27.** 71.05 (6) (a) 30. of the statutes is created to read:

14          71.05 (6) (a) 30. For taxable years beginning after December 31, 2018, the  
15 amount of the deductions in excess of \$250,000 for expenses paid or incurred in the  
16 taxable year directly or indirectly from forgiven loans under sections 276 (a) and (b)  
17 and 278 (a) of Division N of P.L. 116-260.

18          **SECTION 28.** 71.05 (6) (b) 4. of the statutes is renumbered 71.05 (6) (b) 4. (intro.)  
19 and amended to read:

20          71.05 (6) (b) 4. (intro.) Disability payments other than disability payments that  
21 are paid from a retirement plan, the payments from which are exempt under ~~sub.~~  
22 subs. (1) ~~(ae)~~, (am), and (an) and (6) (b) 54, if the individual either is single or is  
23 married and files a joint return, ~~to the extent those payments are excludable under~~  
24 ~~section 105 (d) of the Internal Revenue Code as it existed immediately prior to its~~  
25 ~~repeal in 1983 by section 122 (b) of P.L. 98-21, except that if an individual is divorced~~

1 during the taxable year that individual may subtract an amount only if that person  
2 is disabled and the amount that may be subtracted then is \$100 for each week that  
3 payments are received or the amount of disability pay reported as income, whichever  
4 is less. If the exclusion under this subdivision is claimed on a joint return and only  
5 one of the spouses is disabled, the maximum exclusion is \$100 for each week that  
6 payments are received or the amount of disability pay reported as income, whichever  
7 is less. and is under 65 years of age before the close of the taxable year to which the  
8 subtraction relates, retired on disability, and, when the individual retired, was  
9 permanently and totally disabled. In this subdivision, “permanently and totally  
10 disabled” means an individual who is unable to engage in any substantial gainful  
11 activity by reason of any medically determinable physical or mental impairment that  
12 can be expected to result in death or which has lasted or can be expected to last for  
13 a continuous period of not less than 12 months. An individual shall not be considered  
14 permanently and totally disabled for purposes of this subdivision unless proof is  
15 furnished in such form and manner, and at such times, as prescribed by the  
16 department. The exclusion under this subdivision shall be determined as follows:

17 **SECTION 29.** 71.05 (6) (b) 4. a. to c. of the statutes are created to read:

18 71.05 (6) (b) 4. a. If the individual is single and the individual’s federal adjusted  
19 gross income in the year to which the subtraction relates is less than \$20,200, the  
20 maximum subtraction is \$100 for each week that payments are received or the  
21 amount of disability pay reported as income, whichever is less.

22 b. If the individual is married and filing a joint return and the couple’s federal  
23 adjusted gross income in the year to which the subtraction relates is less than  
24 \$20,200, or \$25,400 if both spouses are disabled, the maximum subtraction is \$100



1 for each week that payments are received, per spouse if both spouses are disabled,  
2 or the amount of disability pay reported as income, whichever is less.

3 c. If the federal adjusted gross income of the individual, or individuals if filing  
4 a joint return, for the taxable year, determined without regard to this subd. 4.,  
5 exceeds \$15,000, the amount subtracted under this subd. 4. for the taxable year shall  
6 be reduced by an amount equal to the excess of the federal adjusted gross income over  
7 \$15,000.

8 **SECTION 30.** 71.05 (6) (b) 17. and 18. of the statutes are repealed.

9 **SECTION 31.** 71.05 (6) (b) 19. c. of the statutes is amended to read:

10 71.05 (6) (b) 19. c. For taxable years beginning before January 1, 2021, for a  
11 person who is a nonresident or a part-year resident of this state, modify the amount  
12 calculated under subd. 19. b. by multiplying the amount by a fraction the numerator  
13 of which is the person's net earnings from a trade or business that are taxable by this  
14 state and the denominator of which is the person's total net earnings from a trade  
15 or business.

16 **SECTION 32.** 71.05 (6) (b) 19. cm. of the statutes is created to read:

17 71.05 (6) (b) 19. cm. For taxable years beginning after December 31, 2020, for  
18 a person who is a nonresident or a part-year resident of this state, modify the amount  
19 calculated under subd. 19. b. by multiplying the amount by a fraction the numerator  
20 of which is the person's wages, salary, tips, unearned income, and net earnings from  
21 a trade or business that are taxable by this state and the denominator of which is the  
22 person's total wages, salary, tips, unearned income, and net earnings from a trade  
23 or business. In this subd. 19. cm., for married persons filing separately "wages,  
24 salary, tips, unearned income, and net earnings from a trade or business" means the  
25 separate wages, salary, tips, unearned income, and net earnings from a trade or

1 business of each spouse, and for married persons filing jointly “wages, salary, tips,  
2 unearned income, and net earnings from a trade or business” means the total wages,  
3 salary, tips, unearned income, and net earnings from a trade or business of both  
4 spouses.

5 **SECTION 33.** 71.05 (6) (b) 19. d. of the statutes is amended to read:

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

9 **SECTION 34.** 71.05 (6) (b) 19. dm. of the statutes is created to read:

10 71.05 (6) (b) 19. dm. For taxable years beginning after December 31, 2020,  
11 reduce the amount calculated under subd. 19. b. or cm. to the person’s aggregate  
12 wages, salary, tips, unearned income, and net earnings from a trade or business that  
13 are taxable by this state.

14 **SECTION 35.** 71.05 (6) (b) 20., 36., 37., 39., 40. and 41. of the statutes are  
15 repealed.

16 **SECTION 36.** 71.05 (6) (b) 54. of the statutes is created to read:

17 71.05 (6) (b) 54. Except for a payment that is exempt under sub. (1) (a), (am),  
18 or (an), or that is exempt as a railroad retirement benefit, for taxable years beginning  
19 after December 31, 2020, up to \$5,000 of payments or distributions received each  
20 year by an individual from a qualified retirement plan under the Internal Revenue  
21 Code or from an individual retirement account established under 26 USC 408, if all  
22 of the following conditions apply:

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

1           b. If the individual is single or files as head of household, his or her federal  
2 adjusted gross income in the year to which the exemption claim relates is less than  
3 \$15,000.

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

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

9           **SECTION 37.** 71.07 (5) (a) 15. of the statutes is amended to read:

10           71.07 (5) (a) 15. The amount claimed as a deduction for medical care insurance  
11 under section 213 of the Internal Revenue Code that is exempt from taxation under  
12 s. 71.05 (6) (b) ~~17. to 20. 19., 35., 36., 37., 38., 39., 40., 41.,~~ and 42. and the amount  
13 claimed as a deduction for a long-term care insurance policy under section 213 (d)  
14 (1) (D) of the Internal Revenue Code, as defined in section 7702B (b) of the Internal  
15 Revenue Code that is exempt from taxation under s. 71.05 (6) (b) 26.

16           **SECTION 38.** 71.07 (9m) (h) of the statutes is amended to read:

17           71.07 (9m) (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

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

4 **SECTION 39.** 71.22 (4) (c), (d), (e), (f), (g), (h) and (i) of the statutes are repealed.

5 **SECTION 40.** 71.22 (4) (j) 3. m. of the statutes is created to read:

6 71.22 (4) (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 41.** 71.22 (4) (j) 3. n. of the statutes is created to read:

9 71.22 (4) (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 42.** 71.22 (4) (k) 3. of the statutes is amended to read:

12 71.22 (4) (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 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 43.** 71.22 (4) (L) 1. of the statutes is amended to read:

19 71.22 (4) (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. and  
22 3. and subject to subd. 4., and except as provided in sub. (4m) and ss. 71.26 (2) (b) and  
23 (3), 71.34 (1g), 71.42 (2), and 71.98.

24 **SECTION 44.** 71.22 (4) (L) 3. of the statutes is amended to read:

1           71.22 (4) (L) 3. For purposes of this paragraph, “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 45.** 71.22 (4) (L) 4. of the statutes is amended to read:

14           71.22 (4) (L) 4. For purposes of this paragraph, the provisions of federal public  
15 laws that directly or indirectly affect the Internal Revenue Code, as defined in this  
16 paragraph, 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 46.** 71.22 (4) (m) of the statutes is created to read:

21           71.22 (4) (m) 1. For taxable years beginning after December 31, 2020, “Internal  
22 Revenue Code” means the federal Internal Revenue Code as amended to December  
23 31, 2020, except as provided in subds. 2. and 3. and subject to subd. 4., and except  
24 as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34 (1g), 71.42 (2), and 71.98.

1           2. For purposes of this paragraph, “Internal Revenue Code” does not include  
2 the following provisions of federal public laws for taxable years beginning after  
3 December 31, 2020: section 13113 of P.L. 103-66; sections 1, 3, 4, and 5 of P.L.  
4 106-519; sections 101, 102, and 422 of P.L. 108-357; sections 1310 and 1351 of P.L.  
5 109-58; section 11146 of P.L. 109-59; section 403 (q) of P.L. 109-135; section 513 of  
6 P.L. 109-222; sections 104 and 307 of P.L. 109-432; sections 8233 and 8235 of P.L.  
7 110-28; section 11 (e) and (g) of P.L. 110-172; section 301 of P.L. 110-245; section  
8 15351 of P.L. 110-246; section 302 of division A, section 401 of division B, and sections  
9 312, 322, 502 (c), 707, and 801 of division C of P.L. 110-343; sections 1232, 1241, 1251,  
10 1501, and 1502 of division B of P.L. 111-5; sections 211, 212, 213, 214, and 216 of P.L.  
11 111-226; sections 2011 and 2122 of P.L. 111-240; sections 753, 754, and 760 of P.L.  
12 111-312; section 1106 of P.L. 112-95; sections 104, 318, 322, 323, 324, 326, 327, and  
13 411 of P.L. 112-240; P.L. 114-7; section 1101 of P.L. 114-74; section 305 of division  
14 P of P.L. 114-113; sections 123, 125 to 128, 143, 144, 151 to 153, 165 to 167, 169 to  
15 171, 189, 191, 307, 326, and 411 of division Q of P.L. 114-113; sections 11011, 11012,  
16 13201 (a) to (e) and (g), 13206, 13221, 13301, 13304 (a), (b), and (d), 13531, 13601,  
17 13801, 14101, 14102, 14103, 14201, 14202, 14211, 14212, 14213, 14214, 14215,  
18 14221, 14222, 14301, 14302, 14304, and 14401 of P.L. 115-97; sections 40304, 40305,  
19 40306, and 40412 of P.L. 115-123; section 101 (c) of division T of P.L. 115-141;  
20 sections 101 (d) and (e), 102, 201 to 207, 301, 302, and 401 (a) (47) and (195), (b) (13),  
21 (17), (22) and (30), and (d) (1) (D) (v), (vi), and (xiii) and (xvii) (II) of division U of P.L.  
22 115-141; sections 104, 114, 115, 116, 130, and 145 of division Q of P.L. 116-94;  
23 sections 2304 and 2306 of P.L. 116-136; and sections 111, 114, 115, 116, 118 (a) and  
24 (d), 133, 137, 138, and 210 of division EE of P.L. 116-260.

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

3           4. For purposes of this paragraph, the provisions of federal public laws that  
4 directly or indirectly affect the Internal Revenue Code, as defined in this paragraph,  
5 apply for Wisconsin purposes at the same time as for federal purposes, except that  
6 changes made by sections 20101, 20102, 20104, 20201, 40201, 40202, 40203, 40308,  
7 40309, 40311, 40414, 41101, 41107, 41114, 41115, and 41116 of P.L. 115-123; section  
8 101 (a), (b), and (h) of division U of P.L. 115-141; section 1203 of P.L. 116-25; section  
9 1122 of P.L. 116-92; section 301 of division O, section 1302 of division P, and sections  
10 101, 102, 103, 117, 118, 132, 201, 202 (a), (b), and (c), 204 (a), (b), and (c), 301, and  
11 302 of division Q of P.L. 116-94; section 2 of P.L. 116-98; and sections 301, 302, and  
12 304 of division EE of P.L. 116-260 apply for taxable years beginning after December  
13 31, 2020.

14           **SECTION 47.** 71.22 (4m) (c), (d), (e), (f), (g), (h) and (i) of the statutes are repealed.

15           **SECTION 48.** 71.22 (4m) (j) 3. m. of the statutes is created to read:

16           71.22 (4m) (j) 3. m. Sections 101 (m), (n), (o), (p), and (q), 104 (a), and 109 of  
17 division U of P.L. 115-141.

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

19           71.22 (4m) (j) 3. n. Section 102 of division M and sections 110, 111, and 116 (b)  
20 of division O of P.L. 116-94.

21           **SECTION 50.** 71.22 (4m) (k) 3. of the statutes is amended to read:

22           71.22 (4m) (k) 3. For purposes of this paragraph, “Internal Revenue Code” does  
23 not include amendments to the federal Internal Revenue Code enacted after  
24 December 31, 2016, except that “Internal Revenue Code” includes sections 11024,  
25 11025, and 13543 of P.L. 115-97; sections 40307 and 40413 of P.L. 115-123; sections

1 101 (m), (n), (o), (p), and (q), 104 (a), and 109 of division U of P.L. 115-141; and section  
2 102 of division M and sections 110, 111, and 116 (b) of division O of P.L. 116-94.

3 **SECTION 51.** 71.22 (4m) (L) 1. of the statutes is amended to read:

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

9 **SECTION 52.** 71.22 (4m) (L) 3. of the statutes is amended to read:

10 71.22 (4m) (L) 3. For purposes of this paragraph, “Internal Revenue Code” does  
11 not include amendments to the federal Internal Revenue Code enacted after  
12 December 31, 2017, except that “Internal Revenue Code” includes sections 40307,  
13 40413, and 41113 of P.L. 115-123; sections 101 (m), (n), (o), (p), and (q), 104 (a), 109,  
14 401 (a) (54) and (b) (15) (A), (B), and (C), 19, 20, 23, 26, 27, and 28 of division U of P.L.  
15 115-141; sections 102 and 104 of division M, sections 102, 103, 106, 107, 108, 109,  
16 110, 111, 113, 114, 115, 116, 201, 204, 205, 206, 302, 401, and 601 of division O, section  
17 1302 of division P, and sections 131, 202 (d), and 205 of division Q of P.L. 116-94;  
18 sections 1106, 2202, 2203, 2204, 2205, 2206, 2307, 3608, 3609, 3701, and 3702 of  
19 division A of P.L. 116-136; and sections 202, 208, 209, 211, and 214 of division EE and  
20 sections 276 (a) and (b), 277, 278 (a), (b), (c), and (d), 280, and 285 of division N of P.L.  
21 116-260.

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

23 71.22 (4m) (L) 4. For purposes of this paragraph, the provisions of federal  
24 public laws that directly or indirectly affect the Internal Revenue Code, as defined  
25 in this paragraph, apply for Wisconsin purposes at the same time as for federal



1 purposes, except that changes made by P.L. 115-63 and sections 11026, 11027, 11028,  
2 13207, 13306, 13307, 13308, 13311, 13312, 13501, 13705, 13821, and 13823 of P.L.  
3 115-97 first apply for taxable years beginning after December 31, 2017.

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

5 71.22 (4m) (m) 1. For taxable years beginning after December 31, 2020,  
6 “Internal Revenue Code,” for corporations that are subject to a tax on unrelated  
7 business income under s. 71.26 (1) (a), means the federal Internal Revenue Code as  
8 amended to December 31, 2020, except as provided in subds. 2. and 3. and s. 71.98  
9 and subject to subd. 4.

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

1 13801, 14101, 14102, 14103, 14201, 14202, 14211, 14212, 14213, 14214, 14215,  
2 14221, 14222, 14301, 14302, 14304, and 14401 of P.L. 115-97; sections 40304, 40305,  
3 40306, and 40412 of P.L. 115-123; section 101 (c) of division T of P.L. 115-141;  
4 sections 101 (d) and (e), 102, 201 to 207, 301, 302, and 401 (a) (47) and (195), (b) (13),  
5 (17), (22) and (30), and (d) (1) (D) (v), (vi), and (xiii) and (xvii) (II) of division U of P.L.  
6 115-141; sections 104, 114, 115, 116, 130, and 145 of division Q of P.L. 116-94;  
7 sections 2304 and 2306 of P.L. 116-136; and sections 111, 114, 115, 116, 118 (a) and  
8 (d), 133, 137, 138, and 210 of division EE of P.L. 116-260.

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

11 4. For purposes of this paragraph, the provisions of federal public laws that  
12 directly or indirectly affect the Internal Revenue Code, as defined in this paragraph,  
13 apply for Wisconsin purposes at the same time as for federal purposes, except that  
14 changes made by sections 20101, 20102, 20104, 20201, 40201, 40202, 40203, 40308,  
15 40309, 40311, 40414, 41101, 41107, 41114, 41115, and 41116 of P.L. 115-123; section  
16 101 (a), (b), and (h) of division U of P.L. 115-141; section 1203 of P.L. 116-25; section  
17 1122 of P.L. 116-92; section 301 of division O, section 1302 of division P, and sections  
18 101, 102, 103, 117, 118, 132, 201, 202 (a), (b), and (c), 204 (a), (b), and (c), 301, and  
19 302 of division Q of P.L. 116-94; section 2 of P.L. 116-98; and sections 301, 302, and  
20 304 of division EE of P.L. 116-260 apply for taxable years beginning after December  
21 31, 2020.

22 **SECTION 55.** 71.22 (5g) of the statutes is created to read:

23 71.22 (5g) For purposes of s. 71.22 (4) (b) and (4m) (b), 2013 stats., “Internal  
24 Revenue Code” includes section 109 of division U of P.L. 115-141.

25 **SECTION 56.** 71.26 (2) (a) 13. of the statutes is created to read:

1           71.26 (2) (a) 13. For taxable years beginning after December 31, 2018, plus the  
2 amount of the deductions in excess of \$250,000 for expenses paid or incurred in the  
3 taxable year directly or indirectly from forgiven loans under sections 276 (a) and (b)  
4 and 278 (a) of Division N of P.L. 116-260.

5           **SECTION 57.** 71.26 (2) (b) 3., 4., 5., 6., 7., 8. and 9. of the statutes are repealed.

6           **SECTION 58.** 71.26 (2) (b) 10. d. of the statutes is amended to read:

7           71.26 (2) (b) 10. d. For purposes of subd. 10. a., “Internal Revenue Code” does  
8 not include amendments to the federal Internal Revenue Code enacted after  
9 December 31, 2013, except that “Internal Revenue Code” includes the provisions of  
10 P.L. 113-97, P.L. 113-159, P.L. 113-168, section 302901 of P.L. 113-287, sections 171,  
11 172, and 201 to 221 of P.L. 113-295, sections 102, 105, and 207 of division B of P.L.  
12 113-295, P.L. 114-14, P.L. 114-26, section 2004 of P.L. 114-41, sections 503 and 504  
13 of P.L. 114-74, sections 103, 104, 124, 168, 184, 185, 190, 204, 303, 306, 336, and 341  
14 of division Q of P.L. 114-113, and P.L. 114-239, sections 101 (m), (n), (o), (p), and (q),  
15 104 (a), and 109 of division U of P.L. 115-141, and section 102 of division M and  
16 sections 110, 111, and 116 (b) of division O of P.L. 116-94.

17           **SECTION 59.** 71.26 (2) (b) 11. d. of the statutes is amended to read:

18           71.26 (2) (b) 11. d. For purposes of subd. 11. a., “Internal Revenue Code” does  
19 not include amendments to the federal Internal Revenue Code enacted after  
20 December 31, 2016, except that “Internal Revenue Code” includes sections 11024,  
21 11025, and 13543 of P.L. 115-97; sections 40307 and 40413 of P.L. 115-123; sections  
22 101 (m), (n), (o), (p), and (q), 104 (a), and 109 of division U of P.L. 115-141; and section  
23 102 of division M and sections 110, 111, and 116 (b) of division O of P.L. 116-94.

24           **SECTION 60.** 71.26 (2) (b) 12. a. of the statutes is amended to read:

1           71.26 (2) (b) 12. a. For taxable years beginning after December 31, 2017, and  
2 before January 1, 2021, for a corporation, conduit, or common law trust which  
3 qualifies as a regulated investment company, real estate mortgage investment  
4 conduit, real estate investment trust, or financial asset securitization investment  
5 trust under the Internal Revenue Code, “net income” means the federal regulated  
6 investment company taxable income, federal real estate mortgage investment  
7 conduit taxable income, federal real estate investment trust or financial asset  
8 securitization investment trust taxable income of the corporation, conduit, or trust  
9 as determined under the Internal Revenue Code.

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

11           71.26 (2) (b) 12. d. For purposes of subd. 12. a., “Internal Revenue Code” does  
12 not include amendments to the federal Internal Revenue Code enacted after  
13 December 31, 2017, except that “Internal Revenue Code” includes sections 40307,  
14 40413, and 41113 of P.L. 115-123; sections 101 (m), (n), (o), (p), and (q), 104 (a), 109,  
15 401 (a) (54) and (b) (15) (A), (B), and (C), 19, 20, 23, 26, 27, and 28 of division U of P.L.  
16 115-141; sections 102 and 104 of division M, sections 102, 103, 106, 107, 108, 109,  
17 110, 111, 113, 114, 115, 116, 201, 204, 205, 206, 302, 401, and 601 of division O, section  
18 1302 of division P, and sections 131, 202 (d), and 205 of division Q of P.L. 116-94;  
19 sections 1106, 2202, 2203, 2204, 2205, 2206, 2307, 3608, 3609, 3701, and 3702 of  
20 division A of P.L. 116-136; and sections 202, 208, 209, 211, and 214 of division EE and  
21 sections 276 (a) and (b), 277, 278 (a), (b), (c), and (d), 280, and 285 of division N of P.L.  
22 116-260.

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

24           71.26 (2) (b) 12. e. For purposes of subd. 12. a., the provisions of federal public  
25 laws that directly or indirectly affect the Internal Revenue Code, as defined in this

1 subdivision, apply for Wisconsin purposes at the same time as for federal purposes,  
2 except that changes made by P.L. 115-63 and sections 11026, 11027, 11028, 13207,  
3 13306, 13307, 13308, 13311, 13312, 13501, 13705, 13821, and 13823 of P.L. 115-97  
4 first apply for taxable years beginning after December 31, 2017.

5 **SECTION 63.** 71.26 (2) (b) 13. of the statutes is created to read:

6 71.26 (2) (b) 13. a. For taxable years beginning after December 31, 2020, for a  
7 corporation, conduit, or common law trust that qualifies as a regulated investment  
8 company, real estate mortgage investment conduit, real estate investment trust, or  
9 financial asset securitization investment trust under the Internal Revenue Code,  
10 “net income” means the federal regulated investment company taxable income,  
11 federal real estate mortgage investment conduit taxable income, federal real estate  
12 investment trust, or financial asset securitization investment trust taxable income  
13 of the corporation, conduit, or trust as determined under the Internal Revenue Code.

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

17 c. For purposes of subd. 13. a., “Internal Revenue Code” does not include the  
18 following provisions of federal public laws for taxable years beginning after  
19 December 31, 2020: section 13113 of P.L. 103-66; sections 1, 3, 4, and 5 of P.L.  
20 106-519; sections 101, 102, and 422 of P.L. 108-357; sections 1310 and 1351 of P.L.  
21 109-58; section 11146 of P.L. 109-59; section 403 (q) of P.L. 109-135; section 513 of  
22 P.L. 109-222; sections 104 and 307 of P.L. 109-432; sections 8233 and 8235 of P.L.  
23 110-28; section 11 (e) and (g) of P.L. 110-172; section 301 of P.L. 110-245; section  
24 15351 of P.L. 110-246; section 302 of division A, section 401 of division B, and sections  
25 312, 322, 502 (c), 707, and 801 of division C of P.L. 110-343; sections 1232, 1241, 1251,

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

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

18 e. For purposes of subd. 13. a., the provisions of federal public laws that directly  
19 or indirectly affect the Internal Revenue Code, as defined in this subdivision, apply  
20 for Wisconsin purposes at the same time as for federal purposes, except that changes  
21 made by sections 20101, 20102, 20104, 20201, 40201, 40202, 40203, 40308, 40309,  
22 40311, 40414, 41101, 41107, 41114, 41115, and 41116 of P.L. 115-123; section 101 (a),  
23 (b), and (h) of division U of P.L. 115-141; section 1203 of P.L. 116-25; section 1122 of  
24 P.L. 116-92; section 301 of division O, section 1302 of division P, and sections 101,  
25 102, 103, 117, 118, 132, 201, 202 (a), (b), and (c), 204 (a), (b), and (c), 301, and 302 of

1 division Q of P.L. 116-94; section 2 of P.L. 116-98; and sections 301, 302, and 304 of  
2 division EE of P.L. 116-260 apply for taxable years beginning after December 31,  
3 2020.

4 **SECTION 64.** 71.26 (2) (b) 14. of the statutes is created to read:

5 71.26 (2) (b) 14. For purposes of s. 71.26 (2) (b) 2., 2013 stats., “Internal Revenue  
6 Code” includes section 109 of division U of P.L. 115-141.

7 **SECTION 65.** 71.26 (3) (ag) of the statutes is renumbered 71.26 (3) (ag) (intro.)  
8 and amended to read:

9 71.26 (3) (ag) (intro.) Section 61 (relating to the definition of gross income) is  
10 modified to exclude ~~income~~ the following:

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

17 **SECTION 66.** 71.26 (3) (ag) 2. of the statutes is created to read:

18 71.26 (3) (ag) 2. Income received in the form of a grant issued under s. 73.135.

19 **SECTION 67.** 71.26 (3) (L) of the statutes is amended to read:

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

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

13 **SECTION 68.** 71.28 (6) (h) of the statutes is amended to read:

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



1           **SECTION 69.** 71.34 (1g) (c), (d), (e), (f), (g), (h) and (i) of the statutes are repealed.

2           **SECTION 70.** 71.34 (1g) (j) 3. m. of the statutes is created to read:

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

5           **SECTION 71.** 71.34 (1g) (j) 3. n. of the statutes is created to read:

6           71.34 **(1g)** (j) 3. n. Section 102 of division M and sections 110, 111, and 116 (b)  
7 of division O of P.L. 116-94.

8           **SECTION 72.** 71.34 (1g) (k) 3. of the statutes is amended to read:

9           71.34 **(1g)** (k) 3. For purposes of this paragraph, “Internal Revenue Code” does  
10 not include amendments to the federal Internal Revenue Code enacted after  
11 December 31, 2016, except that “Internal Revenue Code” includes sections 11024,  
12 11025, and 13543 of P.L. 115-97; sections 40307 and 40413 of P.L. 115-123; sections  
13 101 (m), (n), (o), (p), and (q), 104 (a), and 109 of division U of P.L. 115-141; and section  
14 102 of division M and sections 110, 111, and 116 (b) of division O of P.L. 116-94.

15           **SECTION 73.** 71.34 (1g) (L) 1. of the statutes is amended to read:

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

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

21           71.34 **(1g)** (L) 3. For purposes of this paragraph, “Internal Revenue Code” does  
22 not include amendments to the federal Internal Revenue Code enacted after  
23 December 31, 2017, except that “Internal Revenue Code” includes sections 40307,  
24 40413, and 41113 of P.L. 115-123; sections 101 (m), (n), (o), (p), and (q), 104 (a), 109,  
25 401 (a) (54) and (b) (15) (A), (B), and (C), 19, 20, 23, 26, 27, and 28 of division U of P.L.

1 115-141; sections 102 and 104 of division M, sections 102, 103, 106, 107, 108, 109,  
2 110, 111, 113, 114, 115, 116, 201, 204, 205, 206, 302, 401, and 601 of division O, section  
3 1302 of division P, and sections 131, 202 (d), and 205 of division Q of P.L. 116-94;  
4 sections 1106, 2202, 2203, 2204, 2205, 2206, 2307, 3608, 3609, 3701, and 3702 of  
5 division A of P.L. 116-136; and sections 202, 208, 209, 211, and 214 of division EE and  
6 sections 276 (a) and (b), 277, 278 (a), (b), (c), and (d), 280, and 285 of division N of P.L.  
7 116-260.

8 **SECTION 75.** 71.34 (1g) (L) 4. of the statutes is amended to read:

9 71.34 (1g) (L) 4. For purposes of this paragraph, the provisions of federal public  
10 laws that directly or indirectly affect the Internal Revenue Code, as defined in this  
11 paragraph, apply for Wisconsin purposes at the same time as for federal purposes,  
12 except that changes made by P.L. 115-63 and sections 11026, 11027, 11028, 13207,  
13 13306, 13307, 13308, 13311, 13312, 13501, 13705, 13821, and 13823 of P.L. 115-97  
14 first apply for taxable years beginning after December 31, 2017.

15 **SECTION 76.** 71.34 (1g) (m) of the statutes is created to read:

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

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

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

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

21 4. For purposes of this paragraph, the provisions of federal public laws that  
22 directly or indirectly affect the Internal Revenue Code, as defined in this paragraph,  
23 apply for Wisconsin purposes at the same time as for federal purposes, except that  
24 changes made by sections 20101, 20102, 20104, 20201, 40201, 40202, 40203, 40308,  
25 40309, 40311, 40414, 41101, 41107, 41114, 41115, and 41116 of P.L. 115-123; section

1 101 (a), (b), and (h) of division U of P.L. 115-141; section 1203 of P.L. 116-25; section  
2 1122 of P.L. 116-92; section 301 of division O, section 1302 of division P, and sections  
3 101, 102, 103, 117, 118, 132, 201, 202 (a), (b), and (c), 204 (a), (b), and (c), 301, and  
4 302 of division Q of P.L. 116-94; section 2 of P.L. 116-98; and sections 301, 302, and  
5 304 of division EE of P.L. 116-260 apply for taxable years beginning after December  
6 31, 2020.

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

11 **SECTION 77.** 71.34 (1k) (af) of the statutes is created to read:

12 71.34 **(1k)** (af) Section 61 of the Internal Revenue Code is modified so that  
13 income received in the form of a grant issued under s. 73.135 is not taxable income.

14 **SECTION 78.** 71.34 (1k) (q) of the statutes is created to read:

15 71.34 **(1k)** (q) For taxable years beginning after December 31, 2018, an addition  
16 shall be made for the amount of the deductions in excess of \$250,000 for expenses  
17 paid or incurred in the taxable year directly or indirectly from forgiven loans under  
18 sections 276 (a) and (b) and 278 (a) of Division N of P.L. 116-260.

19 **SECTION 79.** 71.34 (1u) of the statutes is created to read:

20 71.34 **(1u)** For purposes of s. 71.34 (1g) (b), 2013 stats., “Internal Revenue  
21 Code” includes section 109 of division U of P.L. 115-141.

22 **SECTION 80.** 71.42 (2) (c), (d), (e), (f), (g), (h) and (i) of the statutes are repealed.

23 **SECTION 81.** 71.42 (2) (j) 3. m. of the statutes is created to read:

24 71.42 **(2)** (j) 3. m. Sections 101 (m), (n), (o), (p), and (q), 104 (a), and 109 of  
25 division U of P.L. 115-141.

1           **SECTION 82.** 71.42 (2) (j) 3. n. of the statutes is created to read:

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

4           **SECTION 83.** 71.42 (2) (k) 3. of the statutes is amended to read:

5           71.42 (2) (k) 3. For purposes of this paragraph, “Internal Revenue Code” does  
6 not include amendments to the federal Internal Revenue Code enacted after  
7 December 31, 2016, except that “Internal Revenue Code” includes sections 11024,  
8 11025, and 13543 of P.L. 115-97; sections 40307 and 40413 of P.L. 115-123; sections  
9 101 (m), (n), (o), (p), and (q), 104 (a), and 109 of division U of P.L. 115-141; and section  
10 102 of division M and sections 110, 111, and 116 (b) of division O of P.L. 116-94.

11           **SECTION 84.** 71.42 (2) (L) 1. of the statutes is amended to read:

12           71.42 (2) (L) 1. For taxable years beginning after December 31, 2017, and  
13 before January 1, 2021, “Internal Revenue Code” means the federal Internal  
14 Revenue Code as amended to December 31, 2017, except as provided in subds. 2. to  
15 4. and s. 71.98 and subject to subd. 5.

16           **SECTION 85.** 71.42 (2) (L) 3. of the statutes is amended to read:

17           71.42 (2) (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 86.** 71.42 (2) (L) 5. of the statutes is amended to read:

5 71.42 (2) (L) 5. 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 87.** 71.42 (2) (m) of the statutes is created to read:

12 71.42 (2) (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 s. 71.98 and subject to subd. 4.

15 2. For purposes of this paragraph, “Internal Revenue Code” does not include  
16 the following provisions of federal public laws for taxable years beginning after  
17 December 31, 2020: section 13113 of P.L. 103-66; sections 1, 3, 4, and 5 of P.L.  
18 106-519; sections 101, 102, and 422 of P.L. 108-357; sections 1310 and 1351 of P.L.  
19 109-58; section 11146 of P.L. 109-59; section 403 (q) of P.L. 109-135; section 513 of  
20 P.L. 109-222; sections 104 and 307 of P.L. 109-432; sections 8233 and 8235 of P.L.  
21 110-28; section 11 (e) and (g) of P.L. 110-172; section 301 of P.L. 110-245; section  
22 15351 of P.L. 110-246; section 302 of division A, section 401 of division B, and sections  
23 312, 322, 502 (c), 707, and 801 of division C of P.L. 110-343; sections 1232, 1241, 1251,  
24 1501, and 1502 of division B of P.L. 111-5; sections 211, 212, 213, 214, and 216 of P.L.  
25 111-226; sections 2011 and 2122 of P.L. 111-240; sections 753, 754, and 760 of P.L.

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

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

16 4. For purposes of this paragraph, the provisions of federal public laws that  
17 directly or indirectly affect the Internal Revenue Code, as defined in this paragraph,  
18 apply for Wisconsin purposes at the same time as for federal purposes, except that  
19 changes made by sections 20101, 20102, 20104, 20201, 40201, 40202, 40203, 40308,  
20 40309, 40311, 40414, 41101, 41107, 41114, 41115, and 41116 of P.L. 115-123; section  
21 101 (a), (b), and (h) of division U of P.L. 115-141; section 1203 of 116-25; section 1122  
22 of P.L. 116-92; section 301 of division O, section 1302 of division P, and sections 101,  
23 102, 103, 117, 118, 132, 201, 202 (a), (b), and (c), 204 (a), (b), and (c), 301, and 302 of  
24 division Q of P.L. 116-94; section 2 of P.L. 116-98; and sections 301, 302, and 304 of

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

3 **SECTION 88.** 71.42 (2p) of the statutes is created to read:

4 71.42 (2p) For purposes of s. 71.42 (2) (b), 2013 stats., “Internal Revenue Code”  
5 includes section 109 of division U of P.L. 115-141.

6 **SECTION 89.** 71.45 (1) (d) of the statutes is created to read:

7 71.45 (1) (d) Income received in the form of a grant issued by under s. 73.135.

8 **SECTION 90.** 71.45 (2) (a) 22. of the statutes is created to read:

9 71.45 (2) (a) 22. For taxable years beginning after December 31, 2018, by  
10 adding to federal taxable income the amount of the deductions in excess of \$250,000  
11 for expenses paid or incurred in the taxable year directly or indirectly from forgiven  
12 loans under sections 276 (a) and (b) and 278 (a) of Division N of P.L. 116-260.

13 **SECTION 91.** 71.45 (2) (a) 23. of the statutes is created to read:

14 71.45 (2) (a) 23. By subtracting from federal taxable income, to the extent  
15 included in federal taxable income, income received in the form of a grant issued  
16 under s. 73.135.

17 **SECTION 92.** 71.47 (6) (h) of the statutes is amended to read:

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



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

5 **SECTION 93.** 71.52 (1g) of the statutes is created to read:

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

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

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

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

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

24 **SECTION 94.** 71.55 (10) of the statutes is amended to read:

1           71.55 (10) FARMERS. Notwithstanding the provision in s. 71.52 (6) that requires  
2 the addition of certain disqualified losses to income, such an addition may not be  
3 made by a claimant who is a farmer whose primary income is from farming and  
4 whose farming generates less than \$250,000 in gross receipts from the operation of  
5 farm premises in the year to which the claim relates. For purposes of this subsection,  
6 a claimant's primary income is from farming if the claimant's gross income from  
7 farming for the year to which the claim relates is greater than 50 percent of the  
8 claimant's total gross income from all sources for the year to which the claim relates.  
9 In this subsection, "gross income" has the meaning given in s. 71.03 (1).

10           **SECTION 95.** 71.76 of the statutes is renumbered 71.76 (1) and amended to read:

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

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

4 **SECTION 96.** 71.76 (2) of the statutes is created to read:

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

14 **SECTION 97.** 71.77 (7) (b) of the statutes is amended to read:

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

22 **SECTION 98.** 71.83 (1) (a) 6. of the statutes is amended to read:

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

1 federal penalty unless the income received is exempt from taxation under s. 71.05  
2 (1) (a) or ~~(ae)~~ (6) (b) 54. The penalties provided under this subdivision shall be  
3 assessed, levied, and collected in the same manner as income or franchise taxes.

4 **SECTION 99.** 73.0305 of the statutes is amended to read:

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

12 **SECTION 100.** 73.09 (4) (c) of the statutes is amended to read:

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

20 **SECTION 101.** 73.09 (5) of the statutes is amended to read:

21 73.09 (5) EXAMINATIONS. As provided in subs. (1) and (2), the department of  
22 revenue shall prepare and administer examinations for each level of certification.  
23 A person applying for an examination under this subsection shall submit ~~a \$20 an~~  
24 examination fee with the person's application. If the department administers and  
25 grades the examinations, the fee shall be the amount equal to the department's best

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

7 **SECTION 102.** 73.135 of the statutes is created to read:

8 **73.135 Grants to businesses harmed by the pandemic.** (1) The  
9 department of revenue shall establish a program to make grants to businesses in this  
10 state most affected by the COVID-19 pandemic, as determined by the department,  
11 including restaurants, taverns, businesses that provide lodging, and small retailers.  
12 The department shall make the grants from the appropriation account under s.  
13 20.835 (2) (cd).

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

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

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

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

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

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

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

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

11           **SECTION 103.** 74.315 (1) of the statutes is amended to read:

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

17           **SECTION 104.** 74.315 (1m) of the statutes is created to read:

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

24           **SECTION 105.** 74.315 (2) of the statutes is amended to read:

1           74.315 (2) ~~EQUALIZED VALUATION~~ AMOUNT DETERMINED. After receiving the form  
2 under sub. (1), but no later than November 15, the department of revenue shall  
3 determine the amount of ~~any change in the taxation district's equalized valuation~~  
4 ~~that results from considering the valuation represented by the taxes described under~~  
5 ~~sub. (1) taxes to be shared with each taxing jurisdiction for which the taxation district~~  
6 collected taxes and determine the amount of taxes collected under s. 70.44 to be  
7 shared with each taxing jurisdiction for which the taxation district collected taxes.  
8 The department's determination under this subsection is subject to review only  
9 under s. 227.53.

10           **SECTION 106.** 74.315 (3) of the statutes is amended to read:

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

17           **SECTION 107.** 76.04 (1) of the statutes is amended to read:

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

23           **SECTION 108.** 76.07 (1) of the statutes is amended to read:

24           76.07 (1) DUTY OF DEPARTMENT. The department on or before ~~August 1~~  
25 September 15 in each year ~~in the case of railroad companies, and on or before~~

1 ~~September 15 in the case of air carrier companies, conservation and regulation~~  
2 ~~companies and pipeline companies, shall, according to its best knowledge and~~  
3 ~~judgment, ascertain and determine the full market value of the property of each~~  
4 ~~company within the state.~~

5 **SECTION 109.** 76.075 of the statutes is amended to read:

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

21 **SECTION 110.** 76.13 (1) of the statutes is amended to read:

22 **76.13 (1)** The department shall compute and levy a tax upon the property of  
23 each company defined in s. 76.02, as assessed in the manner specified in ss. 76.07 and  
24 76.08, at the average net rate of taxation determined under s. 76.126. The amount  
25 of tax to be paid by each such company shall be extended upon a tax roll opposite the



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

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

15 **SECTION 111.** 76.13 (3) of the statutes is amended to read:

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

1 rate of 12 percent per year from the date of entry of judgment to the date the  
2 judgment becomes final, and at 1.5 percent per month thereafter until paid.

3 **SECTION 112.** 76.28 (4) (b) of the statutes is amended to read:

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

13 **SECTION 113.** 76.28 (11) of the statutes is amended to read:

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

21 **SECTION 114.** 76.39 (4) (d) of the statutes is amended to read:

22 76.39 (4) (d) All refunds shall be certified by the department to the department  
23 of administration which shall audit the amount of the refunds and the secretary of  
24 administration shall pay the amount, together with interest at the rate of ~~9~~ 3 percent  
25 per year from the date payment was made. All additional taxes shall bear interest

1 at the rate of 12 percent per year from the time they should have been paid to the date  
2 upon which the additional taxes shall become delinquent if unpaid.

3 **SECTION 115.** 76.48 (5) of the statutes is amended to read:

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

15 **SECTION 116.** 77.51 (13gm) (a) (intro.) of the statutes is renumbered 77.51  
16 (13gm) (a) and amended to read:

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

22 **SECTION 117.** 77.51 (13gm) (a) 1. and 2. of the statutes are repealed.

23 **SECTION 118.** 77.51 (13gm) (b) of the statutes is amended to read:

24 77.51 (13gm) (b) If an out-of-state retailer’s annual gross sales into this state  
25 exceed \$100,000 in the previous calendar year ~~or the retailer’s annual number of~~

1 separate sales transactions into this state is 200 or more in the previous year, the  
2 retailer shall register with the department and collect the taxes administered under  
3 s. 77.52 or 77.53 on sales sourced to this state under s. 77.522 for the entire current  
4 calendar year.

5 **SECTION 119.** 77.51 (13gm) (c) of the statutes is amended to read:

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

15 **SECTION 120.** 77.51 (13gm) (d) 1. of the statutes is repealed.

16 **SECTION 121.** 77.51 (13gm) (d) 2. of the statutes is amended to read:

17 77.51 (**13gm**) (d) 2. ~~The annual amounts described in this subsection include~~  
18 "Gross sales" includes both taxable and nontaxable sales.

19 **SECTION 122.** 77.51 (13gm) (d) 3. and 4. of the statutes are repealed.

20 **SECTION 123.** 77.51 (13gm) (d) 5. of the statutes is amended to read:

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

24 **SECTION 124.** 77.52 (2m) (b) of the statutes is amended to read:

1           77.52 (2m) (b) With respect to the type of services subject to tax under sub. (2)  
2 (a) 7., 10., 11., and 20. and except as provided in s. 77.54 (60) (b) and (bm) 2., all  
3 tangible personal property or items, property, or goods under ~~s. 77.52 sub.~~ (1) (b), (c),  
4 or (d) physically transferred, or transferred electronically, to the customer in  
5 conjunction with the selling, performing, or furnishing of the service is a sale of  
6 tangible personal property or items, property, or goods under ~~s. 77.52 sub.~~ (1) (b), (c),  
7 or (d) separate from the selling, performing, or furnishing of the service, regardless  
8 of whether the purchaser claims an exemption on its purchase of the service. This  
9 paragraph does not apply to services provided by veterinarians.

10           **SECTION 125.** 77.54 (6) (am) 2. of the statutes is amended to read:

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

20           **SECTION 126.** 77.54 (9a) (f) of the statutes is amended to read:

21           77.54 (9a) (f) Any corporation, community chest, fund, or foundation ~~or~~  
22 ~~association organized and operated exclusively for religious, charitable, scientific or~~  
23 ~~educational purposes, or for the prevention of cruelty to children or animals, except~~  
24 ~~hospital service insurance corporations under s. 613.80 (2), no part of the net income~~  
25 ~~of which inures to the benefit of any private stockholder, shareholder, member or~~

1 corporation that is exempt from federal income tax under section 501 (c) (3) of the  
2 Internal Revenue Code and has received a determination letter from the internal  
3 revenue service. The exemption under this paragraph applies to churches and  
4 religious organizations that meet the requirements of section 501 (c) (3) but are not  
5 required to apply for and obtain tax-exempt status from the internal revenue  
6 service.

7 **SECTION 127.** 77.54 (9m) of the statutes is amended to read:

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

21 **SECTION 128.** 77.61 (5) (b) 8m. of the statutes is created to read:

22 77.61 (5) (b) 8m. The state auditor and the employees of the legislative audit  
23 bureau to the extent necessary for the bureau to carry out its duties under 13.94.

24 **SECTION 129.** 79.02 (1) of the statutes is amended to read:

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

5           **SECTION 130.** 79.02 (2) (b) of the statutes is amended to read:

6           79.02 (2) (b) Subject to ss. 59.605 (4) and 70.995 (14) (b), payments in July shall  
7 equal 15 percent of the municipality's or county's estimated payments under ss.  
8 79.035 and 79.04 and 100 percent of the municipality's estimated payments under  
9 s. 79.05. Upon certification by the department of revenue, the estimated payment  
10 under s. 79.05 may be distributed before the 4th Monday in July.

11           **SECTION 131.** 79.02 (3) (a) of the statutes is amended to read:

12           79.02 (3) (a) Subject to s. 59.605 (4), payments to each municipality and county  
13 in November shall equal that municipality's or county's entitlement under ss. 79.035,  
14 79.04, and 79.05 for the current year, minus the amount distributed to the  
15 municipality or county ~~in July~~ under sub. (2) (b).

16           **SECTION 132.** 79.02 (3) (e) of the statutes is amended to read:

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

23           **SECTION 133.** 79.035 (6) of the statutes is amended to read:

24           79.035 (6) Beginning with the distributions in 2016 and ending with the  
25 distributions in 2035, the annual payment under ~~this section~~ s. 79.02 (1) to a county

1 in which a sports and entertainment arena, as defined in s. 229.41 (11e), is located  
2 shall be the amount otherwise determined for the county under this section, minus  
3 \$4,000,000.

4 **SECTION 134.** 79.035 (7) (b) of the statutes is amended to read:

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

14 **SECTION 135.** 79.05 (1) (am) of the statutes is amended to read:

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

20 **SECTION 136.** 79.05 (2m) of the statutes is amended to read:

21 79.05 (2m) Annually, on ~~November~~ October 1, the department of revenue shall  
22 certify the appropriate percentage change in the consumer price index that is to be  
23 used in the requirement under sub. (1) (am) to the joint committee on finance.

24 **SECTION 137. Initial applicability.**



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

3 (2) RETIREMENT INCOME EXCLUSION. The treatment of ss. 71.05 (1) (ae), (am), and  
4 (an) and (6) (b) 54. and 71.83 (1) (a) 6. and the amendment of s. 71.05 (6) (b) 4. (as it  
5 relates to the retirement income exclusion) first apply to taxable years beginning  
6 after December 31, 2020.

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

11 (4) INTEREST RATE ON UTILITY TAX REFUNDS. The treatment of ss. 76.075, 76.13  
12 (3), 76.28 (4) (b) and (11), 76.39 (4) (d), and 76.48 (5) first applies to refunds paid on  
13 the effective date of this subsection regardless of the taxable periods to which the  
14 refunds pertain.

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

18 (6) INCOME FROM GRANTS. The treatment of ss. 71.05 (1) (h), 71.26 (3) (ag) 2. and  
19 (L), 71.34 (1k) (af), and 71.45 (1) (d) and (2) (a) 23. first applies to taxable years  
20 beginning after December 31, 2020.

21 **SECTION 138. Effective dates.** This act takes effect on the day after  
22 publication, except as follows:

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

