

## BILL

1     **AN ACT** *to repeal* 20.435 (4) (gp), 49.45 (5m) (ag) and 146.99; *to amend* 13.101  
2           (6) (a), 20.866 (1) (u), 25.69, 46.27 (9) (a), 46.27 (10) (a) 1., 46.275 (5) (a), 46.275  
3           (5) (c), 46.283 (5), 46.284 (5) (a), 46.485 (2g) (intro.), 49.45 (2) (a) 17., 49.45 (5m)  
4           (am), 49.45 (6m) (ag) (intro.), 49.45 (6v) (b), 49.45 (6x) (a), 49.45 (6y) (a), 49.45  
5           (6y) (am), 49.45 (6z) (a) (intro.), 49.45 (8) (b), 49.45 (24m) (intro.), 49.45 (52),  
6           49.472 (6) (a), 49.472 (6) (b), 49.473 (5), 71.22 (4) (n), 71.22 (4) (o), 71.22 (4) (p),  
7           71.22 (4) (q), 71.22 (4) (r), 71.22 (4) (s), 71.22 (4) (t), 84.013 (2) and 84.014 (2);  
8           ***to repeal and recreate*** 71.26 (2) (b); and ***to create*** 13.101 (18), 20.395 (6) (ac),  
9           20.435 (4) (xc), 20.866 (2) (uut), 25.17 (1) (gs), 25.77 (11), 25.772, 49.45 (58),  
10          50.375, 71.22 (9a), 71.22 (9c), 71.22 (9d), 71.22 (9e) and 84.557 of the statutes;  
11          **relating to:** state finances and appropriations.

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***Analysis by the Legislative Reference Bureau***

**EDUCATION**

This bill converts the source for all funding for public library system aid in the 2008–09 fiscal year from the general fund to the universal service fund.

## **HEALTH AND HUMAN SERVICES**

Under current federal and state law, Medical Assistance (MA) is a jointly funded, federal–state program, including BadgerCare Plus, that the Department of Health and Family Services (DHFS) administers to provide health care benefits to eligible individuals with very low incomes and few assets, (generally, pregnant women, certain children, certain parents or caretaker relatives, certain adults under age 21 who were in foster care, migrant workers and their dependents, and elderly or disabled individuals). The state share of MA is paid from a combination of general purpose revenues, program revenues from hospital assessments, and segregated funds under the MA trust fund.

Under current law, DHFS annually assesses hospitals a total of \$1,500,000, in proportion to each hospital's respective gross private–pay patient revenues during the hospital's most recent fiscal year. Moneys from the assessments are credited to a program revenue appropriation account, from which is paid a portion of MA program benefits, certain long–term care MA pilot projects, and services under the Family Care Program.

Currently, under MA, DHFS must distribute not more than \$2,256,000 in each fiscal year to provide supplemental funds to rural hospitals and to critical access hospitals that have a high utilization of inpatient services by patients whose care is provided from governmental sources.

This bill eliminates the current annual hospital assessment and the associated program revenue appropriation account and, instead, authorizes DHFS to levy, enforce, and collect assessments on the gross patient revenue of hospitals, based on claims information collected by an entity from hospitals under the laws relating to health care information or based on any other source that is approved in the state Medicaid plan. Under the bill, the entire assessment for fiscal year 2007–08 must be paid by June 1, 2008, and thereafter assessments must be paid by September 1, 2008, December 1, 2008, March 1, 2009, and June 1, 2009. DHFS must verify the amount of each hospital's gross patient revenue and determine the amount of the assessment owed by each hospital based on a uniform rate applicable to total gross patient revenue that DHFS estimates will yield \$205,532,800 in fiscal year 2007–08 and \$214,226,000 in fiscal year 2008–09. DHFS may allow delayed payment by hospitals that are unable to pay by the assessment dates; a DHFS determination that a hospital may not make a delayed payment is not subject to an administrative appeal process. If DHFS determines that any portion of the revenue needed to provide MA program benefits and payment increases for inpatient or outpatient hospital services as fee for service or through health maintenance organizations (HMOs) or to support the MA Program is not eligible for the federal Medicaid share, DHFS must refund that amount to hospitals in proportion to each hospital's assessment payment. The assessments must be deposited into a separate, nonlapsible trust fund, as created in the bill (the hospital assessment fund).

Moneys from the hospital assessments deposited in the hospital assessment fund are, under the bill, appropriated in the amounts of \$145,032,800 in fiscal year 2007–08 and \$147,726,500 in fiscal year 2008–09 to provide the MA nonfederal share for increased payments, in excess of the aggregate inpatient and outpatient MA

hospital payment rates in effect in fiscal year 2006–07, and refunds to hospitals for services provided under MA. They are also transferred to the MA trust fund, less any refunds required to be made, and appropriated to provide \$58,500,000 in fiscal year 2007–08 and \$65,000,000 in fiscal year 2008–09, for a portion of MA program benefits and to increase (together with federal Medicaid matching moneys) the amount of moneys DHFS must distribute to rural hospitals for fiscal year 2007–08 and each fiscal year thereafter, by \$3,000,000. The general program revenue appropriation account for MA program benefits is decreased by \$60,000,000 in fiscal year 2007–08 and by \$62,500,000 in fiscal year 2008–09. The Joint Committee on Finance (JCF) may not transfer moneys from the hospital assessment fund.

The bill requires HMOs, in connection with the hospital assessment, to pay increased rates to hospitals for inpatient and outpatient services provided to MA recipients. The bill requires DHFS to develop a methodology for HMOs to use in calculating these rate increases. Under the bill, the HMOs must make prospective monthly payments to hospitals for the rate increases, then must adjust the payment amounts based on actual utilization of hospital services by MA recipients enrolled in the HMO. The bill provides that if an HMO and hospital cannot agree on the amount of a payment adjustment, DHFS must, upon the request of either the HMO or hospital, determine the amount. The DHFS determination is subject to administrative review.

Under the bill, DHFS must report, by December 31, 2008, and by December 31, 2009, to JCF all of the following information for the immediately previous state fiscal year: (1) the total amount of hospital assessments collected; (2) the total amount of assessments collected from each hospital; (3) the total amounts that DHFS determines were paid to HMOs for increased MA payments to hospitals; (4) the total amount of these payments made to each hospital by HMOs; (5) the total amount of these payments made to each hospital and the portion of the capitated payments made to HMOs for inpatient and outpatient hospital services from general purpose revenues; (6) the total amounts, including amounts under (3), that DHFS determines were paid to HMOs for MA payments to hospitals; and (7) the results of any audits conducted by DHFS concerning these payments to HMOs and any actions taken by DHFS as the result of such an audit.

On November 23, 1998, Wisconsin and other states agreed to a settlement of lawsuits brought against the major U.S. tobacco product manufacturers. Under the tobacco settlement agreement, the state was to receive annual payments from the U.S. tobacco product manufacturers in perpetuity. 2001 Wisconsin Act 16 authorized the secretary of administration to sell the state's right to receive payments under the tobacco settlement agreement. Moneys received from the sale were required to be deposited into the permanent endowment fund, a fund created in 2001. Currently, the first \$50,000,000 of moneys deposited into the fund is transferred to the Medical Assistance trust fund in each fiscal year.

The bill increases the amount that is transferred from the permanent endowment fund to the MA trust fund to \$65,000,000 in each fiscal year and also reduces general purpose revenue funding for the MA program by \$15,000,000 in each year of the 2007–09 fiscal biennium.

## **STATE GOVERNMENT**

Under current law, after enactment of the biennial budget act, if the secretary of administration determines that authorized expenditures will exceed revenues in the current or forthcoming fiscal year by more than 0.5 percent of estimated general purpose revenue appropriations for that fiscal year, the governor must submit a bill making recommendations for correcting the imbalance between projected revenues and authorized expenditures. This bill increases the threshold during the remainder of the 2007–09 fiscal biennium to 2 percent of estimated general purpose revenue appropriations for a fiscal year.

Currently, in any fiscal year, the secretary of administration may temporarily reallocate moneys to the general fund from other state funds in an amount not to exceed, at any one time, 5 percent of the total general purpose revenue appropriations for that fiscal year. This bill increases that amount to 10 percent during the 2007–09 fiscal biennium.

2007 Wisconsin Act 20 required the secretary of administration to lapse or transfer to the general fund from appropriations to almost all executive branch state agencies, other than sum sufficient appropriations and appropriations of federal revenues, an amount equal to \$200,000,000 during the 2007–09 fiscal biennium and \$200,000,000 during the 2009–11 fiscal biennium.

The bill requires the secretary of administration to make additional lapses or transfers to the general fund from appropriations to all executive branch state agencies, other than sum sufficient appropriations and appropriations of federal revenues, in an amount equal to \$330,400,000 during the 2007–09 fiscal biennium and \$330,400,000 during the 2009–11 fiscal biennium.

The bill, however, provides that not more than a total of \$293,000,000 may be lapsed or transferred, under this act and 2007 Wisconsin Act 20, to the general fund from appropriations to the Department of Transportation (DOT) during the 2007–09 fiscal biennium.

Current statutes contain a rule of proceeding governing legislative action on certain bills. Generally, the rule provides that no bill may be adopted by the legislature if the bill would cause general purpose revenue expenditures in a fiscal year, less amounts transferred to the budget stabilization fund in that fiscal year, to exceed the sum of taxes and departmental revenues deposited in the general fund in that fiscal year. This bill includes the balance of the budget stabilization fund for the purpose of calculating the cap for general purpose revenue expenditures during each fiscal year of the 2007–09 fiscal biennium.

Under current law, certain excess general purpose revenues, net proceeds from the sale of state buildings, structures, or land, and net proceeds from the sale of state surplus property are deposited into the budget stabilization fund. This bill provides that, if the projected balance of the general fund on June 30, 2008, or June 30, 2009, is less than \$65,000,000, the secretary of administration may transfer any amount of moneys from the budget stabilization fund to the general fund.

## **TAXATION**

This bill disallows certain deductions, for income and franchise tax purposes, for amounts paid to a real estate investment trust and for amounts paid to a regulated investment company.

## **TRANSPORTATION**

This bill requires the secretary of administration to transfer \$5,000,000 from the transportation fund to the general fund in fiscal year 2007–08.

This bill also prohibits JCF from supplementing any DOT appropriation in fiscal year 2007–08, for purposes relating to implementation of the federal REAL ID Act of 2005, unless after the supplement there remains unexpended in the JCF appropriation, for fiscal year 2007–08, at least \$5,000,000 of the estimated expenditures in this appropriation relating to implementation of the federal REAL ID Act of 2005.

Current law authorizes the state to contract public debt (issue general obligation bonds) for purposes of funding major highway projects, southeast Wisconsin freeway rehabilitation projects, and state highway rehabilitation projects, subject to specified limitations. On some of this debt, principal and interest costs incurred in financing the debt (debt service) is paid from the general fund, and on some of this debt the debt service is paid from the transportation fund.

This bill authorizes the state to contract up to an additional \$190,000,000 in public debt for purposes of funding major highway projects, southeast Wisconsin freeway rehabilitation projects, and state highway rehabilitation projects. Debt service on this additional debt is paid from the general fund.

This bill decreases DOT state funds appropriations for major highway projects, southeast Wisconsin freeway rehabilitation projects, and state highway rehabilitation projects. The bill also requires the secretary of administration and DOT to increase revenue estimates for certain other appropriations, and for available general obligation bond proceeds, for major highway projects, southeast Wisconsin freeway rehabilitation projects, and state highway rehabilitation projects. The appropriation decreases are not included in establishing DOT's appropriation base level for the respective appropriations when DOT submits its 2009–11 biennial budget request.

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

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

- 1           **SECTION 1.** 13.101 (6) (a) of the statutes is amended to read:  
2           13.101 **(6)** (a) As an emergency measure necessitated by decreased state  
3 revenues and to prevent the necessity for a state tax on general property, the

1 committee may reduce any appropriation made to any board, commission,  
2 department, or the University of Wisconsin System, or to any other state agency or  
3 activity, by such amount as it deems feasible, not exceeding 25% of the  
4 appropriations, except appropriations made by ss. 20.255 (2) (ac), (bc), (bh), (cg), and  
5 (cr), 20.395 (1), (2) (cq), (eq) to (ex) and (gq) to (gx), (3), (4) (aq) to (ax), and (6) (ac),  
6 (af), (aq), (ar), and (au), 20.435 (6) (a) and (7) (da), and 20.445 (3) (a) and (dz) or for  
7 forestry purposes under s. 20.370 (1), or any other moneys distributed to any county,  
8 city, village, town, or school district. Appropriations of receipts and of a sum  
9 sufficient shall for the purposes of this section be regarded as equivalent to the  
10 amounts expended under such appropriations in the prior fiscal year which ended  
11 June 30. All functions of said state agencies shall be continued in an efficient  
12 manner, but because of the uncertainties of the existing situation no public funds  
13 should be expended or obligations incurred unless there shall be adequate revenues  
14 to meet the expenditures therefor. For such reason the committee may make  
15 reductions of such appropriations as in its judgment will secure sound financial  
16 operations of the administration for said state agencies and at the same time  
17 interfere least with their services and activities.

18 **SECTION 2.** 13.101 (18) of the statutes is created to read:

19 13.101 (18) Notwithstanding sub. (4), the committee may not transfer moneys  
20 from the appropriation account under s. 20.435 (4) (xc) to another appropriation  
21 account.

22 **SECTION 3.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert  
23 the following amounts for the purposes indicated:

1 **2007-08**      **2008-09**

2 **20.435 Health and family services, department**  
3 **of**

4 (4) HEALTH SERVICES PLANNING; REG & DELIVERY; HLTH  
5 CARE FIN; OTHER SUPPORT PGMS

6 (xc) Hospital assessment fund; hospi-  
7 tal payments and refunds                    SEG      B    145,032,800    147,726,500

8 **SECTION 4.** 20.395 (6) (ac) of the statutes is created to read:

9        20.395 (6) (ac) *Principal repayment and interest, major highway projects and*  
10 *southeast Wisconsin freeway and state highway rehabilitation projects, state funds.*

11 From the general fund, a sum sufficient to reimburse s. 20.866 (1) (u) for the payment  
12 of principal and interest costs incurred in financing major highway projects,  
13 southeast Wisconsin freeway rehabilitation projects, and state highway  
14 rehabilitation projects, as provided under ss. 20.866 (2) (uut) and 84.557, and to  
15 make payments under an agreement or ancillary arrangement entered into under  
16 s. 18.06 (8) (a).

17 **SECTION 5.** 20.435 (4) (gp) of the statutes is repealed.

18 **SECTION 6.** 20.435 (4) (xc) of the statutes is created to read:

19        20.435 (4) (xc) *Hospital assessment fund; hospital payments and refunds.*  
20 Biennially, from the medical assessment trust fund, the amounts in the schedule for  
21 increased payments and refunds to hospitals and for higher capitated payment rates  
22 under s. 49.45 (58) (a), as the Medical Assistance nonfederal share, in order to  
23 increase payment rates in excess of the aggregate inpatient and outpatient hospital

1 payment rates in effect in fiscal year 2006–07 for services provided by hospitals  
2 under the Medical Assistance program administered under subch. IV of ch. 49.

3 **SECTION 7.** 20.866 (1) (u) of the statutes, as affected by 2007 Wisconsin Act 20,  
4 is amended to read:

5 20.866 (1) (u) *Principal repayment and interest.* A sum sufficient from moneys  
6 appropriated under sub. (2) (zp) and ss. 20.115 (2) (d) and (7) (b), (f), and (s), 20.190  
7 (1) (c), (d), (i), and (j), 20.225 (1) (c) and (i), 20.245 (1) (e) and (j), 20.250 (1) (c) and (e),  
8 20.255 (1) (d), 20.285 (1) (d), (db), (im), (in), (je), (jq), (kd), (km), and (ko) and (5) (i),  
9 20.320 (1) (c) and (t) and (2) (c), 20.370 (7) (aa), (ac), (ag), (aq), (ar), (at), (au), (bq), (br),  
10 (ca), (cb), (cc), (cd), (ce), (cf), (cg), (ea), (eq), and (er), 20.395 (6) (ac), (af), (aq), (ar), and  
11 (au), 20.410 (1) (e), (ec), and (ko) and (3) (e), 20.435 (2) (ee) and (6) (e), 20.465 (1) (d),  
12 20.485 (1) (f) and (go), (3) (t) and (4) (qm), 20.505 (4) (es), (et), (ha), and (hb) and (5)  
13 (c), (g), (kc), and (kd), 20.855 (8) (a), and 20.867 (1) (a) and (b) and (3) (a), (b), (bm),  
14 (bn), (bp), (bq), (br), (bu), (bv), (g), (h), (i), and (q) for the payment of principal,  
15 interest, premium due, if any, and payment due, if any, under an agreement or  
16 ancillary arrangement entered into under s. 18.06 (8) (a) relating to any public debt  
17 contracted under subchs. I and IV of ch. 18.

18 **SECTION 8.** 20.866 (2) (uut) of the statutes is created to read:

19 20.866 (2) (uut) *Transportation; major highway projects and southeast*  
20 *Wisconsin freeway and state highway rehabilitation projects.* From the capital  
21 improvement fund, a sum sufficient for the department of transportation to fund  
22 major highway projects, southeast Wisconsin freeway rehabilitation projects, and  
23 state highway rehabilitation projects, as provided under s. 84.557. The state may  
24 contract public debt in an amount not to exceed \$190,000,000 for these purposes.

25 **SECTION 9.** 25.17 (1) (gs) of the statutes is created to read:

1           25.17 (1) (gs) Hospital assessment fund (s. 25.772);

2           **SECTION 10.** 25.69 of the statutes, as affected by 2007 Wisconsin Act 20, is  
3 amended to read:

4           **25.69 Permanent endowment fund.** There is established a separate  
5 nonlapsible trust fund designated as the permanent endowment fund, consisting of  
6 all of the proceeds from the sale of the state's right to receive payments under the  
7 Attorneys General Master Tobacco Settlement Agreement of November 23, 1998,  
8 and all investment earnings on the proceeds. There is transferred from the  
9 permanent endowment fund to the Medical Assistance trust fund \$50,000,000  
10 \$65,000,000 in each fiscal year.

11           **SECTION 11.** 25.77 (11) of the statutes is created to read:

12           25.77 (11) All moneys transferred under 2007 Wisconsin Act ... (this act),  
13 section 9221 (2).

14           **SECTION 12.** 25.772 of the statutes is created to read:

15           **25.772 Hospital assessment fund.** There is established a separate  
16 nonlapsible trust fund designated as the hospital assessment fund, to consist of all  
17 moneys received under s. 50.375 from assessments on hospitals.

18           **SECTION 13.** 46.27 (9) (a) of the statutes is amended to read:

19           46.27 (9) (a) The department may select up to 5 counties that volunteer to  
20 participate in a pilot project under which they will receive certain funds allocated for  
21 long-term care. The department shall allocate a level of funds to these counties  
22 equal to the amount that would otherwise be paid under s. 20.435 (4) (b), ~~(gp)~~, or (w),  
23 to nursing homes for providing care because of increased utilization of nursing home  
24 services, as estimated by the department. In estimating these levels, the department  
25 shall exclude any increased utilization of services provided by state centers for the

1 developmentally disabled. The department shall calculate these amounts on a  
2 calendar year basis under sub. (10).

3 **SECTION 14.** 46.27 (10) (a) 1. of the statutes is amended to read:

4 46.27 (10) (a) 1. The department shall determine for each county participating  
5 in the pilot project under sub. (9) a funding level of state medical assistance  
6 expenditures to be received by the county. This level shall equal the amount that the  
7 department determines would otherwise be paid under s. 20.435 (4) (b), ~~(gp)~~, or (w),  
8 or because of increased utilization of nursing home services, as estimated by the  
9 department.

10 **SECTION 15.** 46.275 (5) (a) of the statutes is amended to read:

11 46.275 (5) (a) Medical Assistance reimbursement for services a county, or the  
12 department under sub. (3r), provides under this program is available from the  
13 appropriation accounts under s. 20.435 (4) (b), ~~(gp)~~, (o), and (w). If 2 or more counties  
14 jointly contract to provide services under this program and the department approves  
15 the contract, Medical Assistance reimbursement is also available for services  
16 provided jointly by these counties.

17 **SECTION 16.** 46.275 (5) (c) of the statutes is amended to read:

18 46.275 (5) (c) The total allocation under s. 20.435 (4) (b), ~~(gp)~~, (o), and (w) to  
19 counties and to the department under sub. (3r) for services provided under this  
20 section may not exceed the amount approved by the federal department of health and  
21 human services. A county may use funds received under this section only to provide  
22 services to persons who meet the requirements under sub. (4) and may not use  
23 unexpended funds received under this section to serve other developmentally  
24 disabled persons residing in the county.

25 **SECTION 17.** 46.283 (5) of the statutes is amended to read:

1           46.283 (5) FUNDING. From the appropriation accounts under s. 20.435 (4) (b),  
2           (bm), ~~(gp)~~, (pa), and (w) and (7) (b), (bd), and (md), the department may contract with  
3           organizations that meet standards under sub. (3) for performance of the duties under  
4           sub. (4) and shall distribute funds for services provided by resource centers.

5           **SECTION 18.** 46.284 (5) (a) of the statutes, as affected by 2007 Wisconsin Act 20,  
6           is amended to read:

7           46.284 (5) (a) From the appropriation accounts under s. 20.435 (4) (b), (g), ~~(gp)~~,  
8           (im), (o), and (w) and (7) (b), (bd), and (g), the department shall provide funding on  
9           a capitated payment basis for the provision of services under this section.  
10          Notwithstanding s. 46.036 (3) and (5m), a care management organization that is  
11          under contract with the department may expend the funds, consistent with this  
12          section, including providing payment, on a capitated basis, to providers of services  
13          under the family care benefit.

14          **SECTION 19.** 46.485 (2g) (intro.) of the statutes is amended to read:

15          46.485 (2g) (intro.) From the appropriation ~~accounts~~ account under s. 20.435  
16          (4) (b) ~~and (gp)~~, the department may in each fiscal year transfer funds to the  
17          appropriation under s. 20.435 (7) (kb) for distribution under this section and from the  
18          appropriation account under s. 20.435 (7) (mb) the department ~~may not~~ shall  
19          distribute ~~more than~~ \$1,330,500 in each fiscal year to applying counties in this state  
20          that meet all of the following requirements, as determined by the department:

21          **SECTION 20.** 49.45 (2) (a) 17. of the statutes is amended to read:

22          49.45 (2) (a) 17. Notify the governor, the joint committee on legislative  
23          organization, the joint committee on finance and appropriate standing committees,  
24          as determined by the presiding officer of each house, if the appropriation ~~accounts~~

1 account under s. 20.435 (4) (b) ~~and (gp) are~~ is insufficient to provide the state share  
2 of medical assistance.

3 **SECTION 21.** 49.45 (5m) (ag) of the statutes is repealed.

4 **SECTION 22.** 49.45 (5m) (am) of the statutes is amended to read:

5 49.45 **(5m)** (am) Notwithstanding sub. (3) (e), from the appropriation accounts  
6 under s. 20.435 (4) (b), ~~(gp)~~, (o), and (w), the department shall distribute not more  
7 than ~~\$2,256,000~~ \$5,256,000 in each fiscal year 2007–08 and each fiscal year  
8 thereafter, to provide supplemental funds to rural hospitals that, as determined by  
9 the department, have high utilization of inpatient services by patients whose care  
10 is provided from governmental sources, ~~and to provide supplemental funds to critical~~  
11 ~~access hospitals~~, except that the department may not distribute funds to a rural  
12 hospital ~~or to a critical access hospital~~ to the extent that the distribution would  
13 exceed any limitation under 42 USC 1396b (i) (3).

14 **SECTION 23.** 49.45 (6m) (ag) (intro.) of the statutes is amended to read:

15 49.45 **(6m)** (ag) (intro.) Payment for care provided in a facility under this  
16 subsection made under s. 20.435 (4) (b), ~~(gp)~~, (o), (pa), or (w) shall, except as provided  
17 in pars. (bg), (bm), and (br), be determined according to a prospective payment  
18 system updated annually by the department. The payment system shall implement  
19 standards that are necessary and proper for providing patient care and that meet  
20 quality and safety standards established under subch. II of ch. 50 and ch. 150. The  
21 payment system shall reflect all of the following:

22 **SECTION 24.** 49.45 (6v) (b) of the statutes is amended to read:

23 49.45 **(6v)** (b) The department shall, each year, submit to the joint committee  
24 on finance a report for the previous fiscal year, except for the 1997–98 fiscal year, that  
25 provides information on the utilization of beds by recipients of medical assistance in

1 facilities and a discussion and detailed projection of the likely balances,  
2 expenditures, encumbrances and carry over of currently appropriated amounts in  
3 the appropriation accounts under s. 20.435 (4) (b), ~~(gp)~~, and (o).

4 **SECTION 25.** 49.45 (6x) (a) of the statutes is amended to read:

5 49.45 **(6x)** (a) Notwithstanding sub. (3) (e), from the appropriation accounts  
6 under s. 20.435 (4) (b), ~~(gp)~~, (o), and (w), the department shall distribute not more  
7 than \$4,748,000 in each fiscal year, to provide funds to an essential access city  
8 hospital, except that the department may not allocate funds to an essential access  
9 city hospital to the extent that the allocation would exceed any limitation under 42  
10 USC 1396b (i) (3).

11 **SECTION 26.** 49.45 (6y) (a) of the statutes is amended to read:

12 49.45 **(6y)** (a) Notwithstanding sub. (3) (e), from the appropriation accounts  
13 under s. 20.435 (4) (b), ~~(gp)~~, (o), and (w), the department ~~shall~~ may distribute funding  
14 in each fiscal year to provide supplemental payment to hospitals that enter into a  
15 contract under s. 49.02 (2) to provide health care services funded by a relief block  
16 grant, as determined by the department, for hospital services that are not in excess  
17 of the hospitals' customary charges for the services, as limited under 42 USC 1396b  
18 (i) (3). If no relief block grant is awarded under this chapter or if the allocation of  
19 funds to such hospitals would exceed any limitation under 42 USC 1396b (i) (3), the  
20 department may distribute funds to hospitals that have not entered into a contract  
21 under s. 49.02 (2).

22 **SECTION 27.** 49.45 (6y) (am) of the statutes is amended to read:

23 49.45 **(6y)** (am) Notwithstanding sub. (3) (e), from the appropriation accounts  
24 under s. 20.435 (4) (b), (h), ~~(gp)~~, (o), and (w), the department shall distribute funding  
25 in each fiscal year to provide supplemental payments to hospitals that enter into

1 contracts under s. 49.02 (2) with a county having a population of 500,000 or more to  
2 provide health care services funded by a relief block grant, as determined by the  
3 department, for hospital services that are not in excess of the hospitals' customary  
4 charges for the services, as limited under 42 USC 1396b (i) (3).

5 **SECTION 28.** 49.45 (6z) (a) (intro.) of the statutes, as affected by 2007 Wisconsin  
6 Act 20, is amended to read:

7 49.45 **(6z)** (a) (intro.) Notwithstanding sub. (3) (e), from the appropriation  
8 accounts under s. 20.435 (4) (b), ~~(gp)~~, (o), and (w), the department may distribute  
9 funding in each fiscal year to supplement payment for services to hospitals that enter  
10 into indigent care agreements, in accordance with the approved state plan for  
11 services under 42 USC 1396a, with relief agencies that administer the medical relief  
12 block grant under this chapter, if the department determines that the hospitals serve  
13 a disproportionate number of low-income patients with special needs. If no medical  
14 relief block grant under this chapter is awarded or if the allocation of funds to such  
15 hospitals would exceed any limitation under 42 USC 1396b (i) (3), the department  
16 may distribute funds to hospitals that have not entered into indigent care  
17 agreements. The department may not distribute funds under this subsection to the  
18 extent that the distribution would do any of the following:

19 **SECTION 29.** 49.45 (8) (b) of the statutes is amended to read:

20 49.45 **(8)** (b) Reimbursement under s. 20.435 (4) (b), ~~(gp)~~, (o), and (w) for home  
21 health services provided by a certified home health agency or independent nurse  
22 shall be made at the home health agency's or nurse's usual and customary fee per  
23 patient care visit, subject to a maximum allowable fee per patient care visit that is  
24 established under par. (c).

25 **SECTION 30.** 49.45 (24m) (intro.) of the statutes is amended to read:

1           49.45 **(24m)** (intro.) From the appropriation accounts under s. 20.435 (4) (b),  
2           ~~(gp)~~, (o), and (w), in order to test the feasibility of instituting a system of  
3           reimbursement for providers of home health care and personal care services for  
4           medical assistance recipients that is based on competitive bidding, the department  
5           shall:

6           **SECTION 31.** 49.45 (52) of the statutes is amended to read:

7           49.45 **(52)** PAYMENT ADJUSTMENTS. Beginning on January 1, 2003, the  
8           department may, from the appropriation account under s. 20.435 (7) (b), make  
9           Medical Assistance payment adjustments to county departments under s. 46.215,  
10          46.22, 46.23, or 51.42, or 51.437 or to local health departments, as defined in s. 250.01  
11          (4), as appropriate, for covered services under s. 49.46 (2) (a) 2. and 4. d. and f. and  
12          (b) 6. b., c., f., fm., g., j., k., L., Lm., and m., 9., 12., 12m., 13., 15., and 16. Payment  
13          adjustments under this subsection shall include the state share of the payments.  
14          The total of any payment adjustments under this subsection and Medical Assistance  
15          payments made from appropriation accounts under s. 20.435 (4) (b), ~~(gp)~~, (o), and (w),  
16          may not exceed applicable limitations on payments under 42 USC 1396a (a) (30) (A).

17          **SECTION 32.** 49.45 (58) of the statutes is created to read:

18          49.45 **(58)** HEALTH MAINTENANCE ORGANIZATION PAYMENTS TO HOSPITALS. (a) The  
19          department shall develop a methodology for calculating rate increases for inpatient  
20          and outpatient hospital services in connection with the assessment imposed on  
21          hospitals under s. 50.375. The methodology shall incorporate encounter data  
22          provided by health maintenance organizations and information that the department  
23          uses to calculate the capitated rates that the department pays health maintenance  
24          organizations for providing services to recipients of medical assistance. The

1 department shall publicly disclose the methodology. The department shall review  
2 the methodology at least once every 12 months.

3 (b) The department shall require, as a term of contracts with health  
4 maintenance organizations to provide medical assistance services, that the health  
5 maintenance organization do all of the following:

6 1. Make monthly prospective payments, calculated using the methodology  
7 under par. (a), to hospitals that serve medical assistance recipients who are enrolled  
8 in the health maintenance organization.

9 2. Calculate the amounts that result from applying the rate increases that are  
10 derived using the methodology under par. (a) to services for recipients of medical  
11 assistance for which hospitals submit claims to the health maintenance  
12 organization.

13 3. Within 90 days after the end of each 6-month period, compare the amounts  
14 that the health maintenance organization paid hospitals under subd. 1. for the  
15 6-month period with the amounts calculated under subd. 2. for services provided  
16 during that same period. If the amounts under subd. 2. exceed the amounts of the  
17 payments under subd. 1., pay hospitals the difference within 90 days.

18 (c) If the amounts that a health maintenance organization paid hospitals under  
19 par. (b) 1. for a 6-month period exceed the amounts calculated under par. (b) 2. for  
20 services provided during the same period, hospitals shall pay the health  
21 maintenance organization the difference within 90 days after the comparison of  
22 amounts under par. (b) 3. is completed.

23 (d) If the department determines that a health maintenance organization has  
24 not complied with a condition under par. (b), the department shall require the health  
25 maintenance organization to comply with the condition within 15 days after the

1 department's determination. The department may terminate a contract with a  
2 health maintenance organization for failure to comply with a condition under par.  
3 (b). The department shall audit health maintenance organizations to determine  
4 whether they have complied with the conditions under par. (b).

5 (e) If a health maintenance organization and hospital cannot resolve the  
6 amount that a health maintenance organization owes a hospital under par. (b) 3. or  
7 that a hospital owes a health maintenance organization under par. (c), and either the  
8 health maintenance organization or the hospital, within 6 months after the end of  
9 the time period to which the disputed amount relates, requests that the department  
10 determine the amount owed, the department shall determine the amount within 90  
11 days after the request is made. The health maintenance organization or hospital is,  
12 upon request, entitled to a contested case hearing under ch. 227 on the department's  
13 determination.

14 **SECTION 33.** 49.472 (6) (a) of the statutes is amended to read:

15 49.472 **(6)** (a) Notwithstanding sub. (4) (a) 3., from the appropriation account  
16 under s. 20.435 (4) (b), ~~(gp)~~, or (w), the department shall, on the part of an individual  
17 who is eligible for medical assistance under sub. (3), pay premiums for or purchase  
18 individual coverage offered by the individual's employer if the department  
19 determines that paying the premiums for or purchasing the coverage will not be more  
20 costly than providing medical assistance.

21 **SECTION 34.** 49.472 (6) (b) of the statutes is amended to read:

22 49.472 **(6)** (b) If federal financial participation is available, from the  
23 appropriation account under s. 20.435 (4) (b), ~~(gp)~~, or (w), the department may pay  
24 medicare Part A and Part B premiums for individuals who are eligible for medicare  
25 and for medical assistance under sub. (3).

1           **SECTION 35.** 49.473 (5) of the statutes is amended to read:

2           49.473 (5) The department shall audit and pay, from the appropriation  
3 accounts under s. 20.435 (4) (b), ~~(gp)~~, and (o), allowable charges to a provider who is  
4 certified under s. 49.45 (2) (a) 11. for medical assistance on behalf of a woman who  
5 meets the requirements under sub. (2) for all benefits and services specified under  
6 s. 49.46 (2).

7           **SECTION 36.** 50.375 of the statutes is created to read:

8           **50.375 Assessment. (1)** Except as provided in subs. (2) and (7), for the  
9 privilege of doing business in this state, there are imposed on each hospital  
10 assessments, based on the hospital's gross patient revenue, that each hospital shall  
11 pay by June 1, 2008, for fiscal year 2007–08; and by September 1, 2008, December  
12 1, 2008, March 1, 2009, and June 1, 2009. The assessments shall be deposited into  
13 the hospital assessment fund.

14           **(2)** At the discretion of the department, a hospital that is unable timely to make  
15 a payment by a date specified under sub. (1) may be allowed to make a delayed  
16 payment. A determination by the department that a hospital may not make a  
17 delayed payment under this subsection is final and is not subject to review under ch.  
18 227.

19           **(3)** The amount of each hospital's assessment shall be based on the information  
20 that shall be provided to the department under s. 153.46 (5) or shall be based on any  
21 other source that is approved in the state plan for services under 42 USC 1396.

22           **(4)** The department shall verify the amount of each hospital's gross patient  
23 revenue and shall determine the amount of the assessment owed by each hospital  
24 based on a uniform rate that is applicable to total gross patient revenue that the  
25 department estimates will yield the amounts specified in the appropriation schedule

1 under s. 20.005 (3) for the appropriation account under s. 20.435 (4) (xc) and the  
2 amounts specified under 2007 Wisconsin Act .... (this act), section 9221 (2).

3 **(5)** The department shall levy, enforce, and collect the assessments under this  
4 section and shall develop and distribute forms necessary for these purposes.

5 **(6)** If the department determines that any portion of the revenue collected  
6 under sub. (5) to provide Medical Assistance program benefits and payment  
7 increases for inpatient and outpatient hospital services as fee for service or through  
8 health maintenance organizations or to support the Medical Assistance Program is  
9 not eligible for federal financial participation, the department will refund that  
10 amount of revenue to hospitals in proportion to each hospital's payment of the  
11 assessment.

12 **(7)** This section does not apply to a critical access hospital, as defined in s. 50.33  
13 (1g), or to an institution for mental diseases, as defined in s. 46.011 (1m).

14 **(8)** Sections 77.59 (1) to (5), (6) (intro.), (a), and (c), and (7) to (10), 77.60 (1) to  
15 (7), (9), and (10), 77.61 (9) and (12) to (14), and 77.62, as they apply to the taxes under  
16 subch. III of ch. 77, apply to the assessment under this section, except that the  
17 amount of any assessment collected under sub. (1) shall be deposited in the hospital  
18 assessment fund.

19 **(9)** By December 31, 2008, and by December 31, 2009, the department shall  
20 report to the joint committee on finance all of the following information for the  
21 immediately previous state fiscal year:

22 (a) The total amount of assessments collected under this section.

23 (b) The total amount of assessments collected from each hospital under this  
24 section.

1 (c) The total amounts that the department determines were paid to health  
2 maintenance organizations for increased Medical Assistance payments to hospitals.

3 (d) The total amount of payments made to each hospital by health maintenance  
4 organizations under s. 49.45 (58) (b) 1.

5 (e) The total amount of Medical Assistance payments made to each hospital and  
6 the portion of the Medical Assistance capitated payments made to health  
7 maintenance organizations for inpatient and outpatient hospital services from  
8 appropriation accounts of general purpose revenues.

9 (f) The total amounts, including the amounts specified under par. (c), that the  
10 department determines were paid to health maintenance organizations for Medical  
11 Assistance payments to hospitals.

12 (g) The results of any audits conducted by the department under s. 49.45 (58)  
13 concerning Medical Assistance payments and any actions taken by the department  
14 as a result of such an audit.

15 **(10)** This section does not apply after December 31, 2009.

16 **SECTION 37.** 71.22 (4) (n) of the statutes, as affected by 2007 Wisconsin Act 20,  
17 is amended to read:

18 71.22 **(4)** (n) Except as provided in sub. (4m) and ss. 71.26 ~~(2)(b)~~ and (3), 71.34  
19 (1g) and 71.42 (2), “Internal Revenue Code”, for taxable years that begin after  
20 December 31, 1998, and before January 1, 2000, means the federal Internal  
21 Revenue Code as amended to December 31, 1998, excluding sections 103, 104, and  
22 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.  
23 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188,  
24 and as amended by P.L. 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding  
25 sections 162 and 165 of P.L. 106–554, P.L. 107–16, excluding section 431 of P.L.

1 107–16, P.L. 107–134, P.L. 107–147, excluding sections 101, 301 (a), and 406 of P.L.  
2 107–147, P.L. 107–181, P.L. 107–276, P.L. 108–121, excluding section 109 of P.L.  
3 108–121, P.L. 108–311, excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L.  
4 108–311, P.L. 108–357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847,  
5 909, and 910 of P.L. 108–357, P.L. 109–7, P.L. 109–135, excluding sections 101, 105,  
6 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L.  
7 109–135, and P.L. 109–280, excluding sections 811 and 844 of P.L. 109–280, and as  
8 indirectly affected in the provisions applicable to this subchapter by P.L. 99–514, P.L.  
9 100–203, P.L. 100–647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821  
10 (b) (2), and 823 (c) (2) of P.L. 99–514 and section 1008 (g) (5) of P.L. 100–647, P.L.  
11 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227,  
12 excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L.  
13 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.  
14 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188,  
15 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L.  
16 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L.  
17 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding sections  
18 162 and 165 of P.L. 106–554, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L.  
19 107–134, P.L. 107–147, excluding sections 101, 301 (a), and 406 of P.L. 107–147, P.L.  
20 107–181, P.L. 107–276, P.L. 108–121, excluding section 109 of P.L. 108–121, P.L.  
21 108–311, excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108–311, P.L.  
22 108–357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910  
23 of P.L. 108–357, P.L. 109–7, P.L. 109–135, excluding sections 101, 105, 201 (a) as it  
24 relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109–135, and  
25 P.L. 109–280, excluding sections 811 and 844 of P.L. 109–280. The Internal Revenue

1 Code applies for Wisconsin purposes at the same time as for federal purposes.  
2 Amendments to the federal Internal Revenue Code enacted after December 31, 1998,  
3 do not apply to this paragraph with respect to taxable years beginning after  
4 December 31, 1998, and before January 1, 2000, except that changes to the Internal  
5 Revenue Code made by P.L. 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554,  
6 excluding sections 162 and 165 of P.L. 106–554, P.L. 107–16, excluding section 431  
7 of P.L. 107–16, P.L. 107–134, P.L. 107–147, excluding sections 101, 301 (a), and 406  
8 of P.L. 107–147, P.L. 107–181, P.L. 107–276, P.L. 108–121, excluding section 109 of  
9 P.L. 108–121, P.L. 108–311, excluding sections 306, 307, 308, 316, 401, and 403 (a)  
10 of P.L. 108–311, P.L. 108–357, excluding sections 101, 201, 211, 242, 244, 336, 337,  
11 422, 847, 909, and 910 of P.L. 108–357, P.L. 109–7, P.L. 109–135, excluding sections  
12 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405  
13 of P.L. 109–135, and P.L. 109–280, excluding sections 811 and 844 of P.L. 109–280,  
14 and changes that indirectly affect the provisions applicable to this subchapter made  
15 by P.L. 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162 and  
16 165 of P.L. 106–554, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–134,  
17 P.L. 107–147, excluding sections 101, 301 (a), and 406 of P.L. 107–147, P.L. 107–181,  
18 P.L. 107–276, P.L. 108–121, excluding section 109 of P.L. 108–121, P.L. 108–311,  
19 excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108–311, P.L. 108–357,  
20 excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L.  
21 108–357, P.L. 109–7, P.L. 109–135, excluding sections 101, 105, 201 (a) as it relates  
22 to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109–135, and P.L.  
23 109–280, excluding sections 811 and 844 of P.L. 109–280, apply for Wisconsin  
24 purposes at the same time as for federal purposes.

1           **SECTION 38.** 71.22 (4) (o) of the statutes, as affected by 2007 Wisconsin Act 20,  
2 is amended to read:

3           71.22 **(4)** (o) Except as provided in sub. (4m) and ss. 71.26 ~~(2)(b)~~ and (3), 71.34  
4 (1g) and 71.42 (2), “Internal Revenue Code”, for taxable years that begin after  
5 December 31, 1999, and before January 1, 2003, means the federal Internal Revenue  
6 Code as amended to December 31, 1999, excluding sections 103, 104, and 110 of P.L.  
7 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66  
8 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, and as  
9 amended by P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L.  
10 106–554, P.L. 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22,  
11 P.L. 107–116, P.L. 107–134, P.L. 107–147, excluding sections 101, 301 (a), and 406 of  
12 P.L. 107–147, P.L. 107–181, P.L. 107–210, P.L. 107–276, P.L. 107–358, P.L. 108–27,  
13 excluding sections 106, 201, and 202 of P.L. 108–27, P.L. 108–121, excluding section  
14 109 of P.L. 108–121, P.L. 108–218, P.L. 108–311, excluding sections 306, 307, 308,  
15 316, 401, and 403 (a) of P.L. 108–311, P.L. 108–357, excluding sections 101, 201, 211,  
16 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108–357, P.L. 109–7, P.L. 109–58,  
17 excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348,  
18 and 1351 of P.L. 109–58, P.L. 109–135, excluding sections 101, 105, 201 (a) as it  
19 relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109–135, and  
20 P.L. 109–280, excluding sections 811 and 844 of P.L. 109–280, and as indirectly  
21 affected in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203,  
22 P.L. 100–647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and  
23 823 (c) (2) of P.L. 99–514 and section 1008 (g) (5) of P.L. 100–647, P.L. 101–73, P.L.  
24 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections  
25 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding

1 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L.  
2 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections  
3 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L.  
4 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L.  
5 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of  
6 P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L.  
7 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147, excluding sections 101, 301 (a),  
8 and 406 of P.L. 107–147, P.L. 107–181, P.L. 107–210, P.L. 107–276, P.L. 107–358, P.L.  
9 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, P.L. 108–121, excluding  
10 section 109 of P.L. 108–121, P.L. 108–218, P.L. 108–311, excluding sections 306, 307,  
11 308, 316, 401, and 403 (a) of P.L. 108–311, P.L. 108–357, excluding sections 101, 201,  
12 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108–357, P.L. 109–7, P.L.  
13 109–58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328,  
14 1329, 1348, and 1351 of P.L. 109–58, P.L. 109–135, excluding sections 101, 105, 201  
15 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L.  
16 109–135, and P.L. 109–280, excluding sections 811 and 844 of P.L. 109–280. The  
17 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal  
18 purposes. Amendments to the federal Internal Revenue Code enacted after  
19 December 31, 1999, do not apply to this paragraph with respect to taxable years  
20 beginning after December 31, 1999, and before January 1, 2003, except that changes  
21 to the Internal Revenue Code made by P.L. 106–230, P.L. 106–554, excluding sections  
22 162 and 165 of P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding section 431 of P.L.  
23 107–16, P.L. 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147, excluding sections  
24 101, 301 (a), and 406 of P.L. 107–147, P.L. 107–181, P.L. 107–210, P.L. 107–276, P.L.  
25 107–358, P.L. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, P.L.

1 108–121, excluding section 109 of P.L. 108–121, P.L. 108–218, P.L. 108–311,  
2 excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108–311, P.L. 108–357,  
3 excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L.  
4 108–357, P.L. 109–7, P.L. 109–58, excluding sections 1305, 1308, 1309, 1310, 1323,  
5 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109–58, P.L. 109–135, excluding  
6 sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and  
7 (q), and 405 of P.L. 109–135, and P.L. 109–280, excluding sections 811 and 844 of P.L.  
8 109–280, and changes that indirectly affect the provisions applicable to this  
9 subchapter made by P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of  
10 P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L.  
11 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147, excluding sections 101, 301 (a),  
12 and 406 of P.L. 107–147, P.L. 107–181, P.L. 107–210, P.L. 107–276, P.L. 107–358, P.L.  
13 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, P.L. 108–121, excluding  
14 section 109 of P.L. 108–121, P.L. 108–218, P.L. 108–311, excluding sections 306, 307,  
15 308, 316, 401, and 403 (a) of P.L. 108–311, P.L. 108–357, excluding sections 101, 201,  
16 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108–357, P.L. 109–7, P.L.  
17 109–58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328,  
18 1329, 1348, and 1351 of P.L. 109–58, P.L. 109–135, excluding sections 101, 105, 201  
19 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L.  
20 109–135, and P.L. 109–280, excluding sections 811 and 844 of P.L. 109–280, apply for  
21 Wisconsin purposes at the same time as for federal purposes.

22 **SECTION 39.** 71.22 (4) (p) of the statutes, as affected by 2007 Wisconsin Act 20,  
23 is amended to read:

24 71.22 (4) (p) Except as provided in sub. (4m) and ss. 71.26 (2) ~~(b)~~ and (3), 71.34  
25 (1g), and 71.42 (2), “Internal Revenue Code,” for taxable years that begin after

1 December 31, 2002, and before January 1, 2004, means the federal Internal Revenue  
2 Code as amended to December 31, 2002, excluding sections 103, 104, and 110 of P.L.  
3 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66,  
4 sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 106–519,  
5 sections 162 and 165 of P.L. 106–554, P.L. 106–573, section 431 of P.L. 107–16, and  
6 sections 101 and 301 (a) of P.L. 107–147, and as amended by P.L. 108–27, excluding  
7 sections 106, 201, and 202 of P.L. 108–27, P.L. 108–121, excluding section 109 of P.L.  
8 108–121, P.L. 108–173, excluding section 1201 of P.L. 108–173, P.L. 108–203, P.L.  
9 108–218, P.L. 108–311, excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L.  
10 108–311, P.L. 108–357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847,  
11 909, and 910 of P.L. 108–357, P.L. 108–375, P.L. 109–7, P.L. 109–58, excluding  
12 sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351  
13 of P.L. 109–58, P.L. 109–135, excluding sections 101, 105, 201 (a) as it relates to  
14 section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109–135, and P.L.  
15 109–280, excluding sections 811 and 844 of P.L. 109–280, and as indirectly affected  
16 in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L.  
17 100–647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823  
18 (c) (2) of P.L. 99–514 and section 1008 (g) (5) of P.L. 100–647, P.L. 101–73, P.L.  
19 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections  
20 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding  
21 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L.  
22 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections  
23 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L.  
24 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L.  
25 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of

1 P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L.  
2 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147, excluding sections 101 and 301 (a)  
3 of P.L. 107–147, P.L. 107–181, P.L. 107–210, P.L. 107–276, P.L. 107–358, P.L. 108–27,  
4 excluding sections 106, 201, and 202 of P.L. 108–27, P.L. 108–121, excluding section  
5 109 of P.L. 108–121, P.L. 108–173, excluding section 1201 of P.L. 108–173, P.L.  
6 108–203, P.L. 108–218, P.L. 108–311, excluding sections 306, 307, 308, 316, 401, and  
7 403 (a) of P.L. 108–311, P.L. 108–357, excluding sections 101, 201, 211, 242, 244, 336,  
8 337, 422, 847, 909, and 910 of P.L. 108–357, P.L. 108–375, P.L. 109–7, P.L. 109–58,  
9 excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348,  
10 and 1351 of P.L. 109–58, P.L. 109–135, excluding sections 101, 105, 201 (a) as it  
11 relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109–135, and  
12 P.L. 109–280, excluding sections 811 and 844 of P.L. 109–280. The Internal Revenue  
13 Code applies for Wisconsin purposes at the same time as for federal purposes.  
14 Amendments to the federal Internal Revenue Code enacted after December 31, 2002,  
15 do not apply to this paragraph with respect to taxable years beginning after  
16 December 31, 2002, and before January 1, 2004, except that changes to the Internal  
17 Revenue Code made by P.L. 108–27, excluding sections 106, 201, and 202 of P.L.  
18 108–27, P.L. 108–121, excluding section 109 of P.L. 108–121, P.L. 108–173, excluding  
19 section 1201 of P.L. 108–173, P.L. 108–203, P.L. 108–218, P.L. 108–311, excluding  
20 sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108–311, P.L. 108–357, excluding  
21 sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108–357, P.L.  
22 108–375, P.L. 109–7, P.L. 109–58, excluding sections 1305, 1308, 1309, 1310, 1323,  
23 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109–58, P.L. 109–135, excluding  
24 sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and  
25 (q), and 405 of P.L. 109–135, and P.L. 109–280, excluding sections 811 and 844 of P.L.

1 109–280, and changes that indirectly affect the provisions applicable to this  
2 subchapter made by P.L. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27,  
3 P.L. 108–121, excluding section 109 of P.L. 108–121, P.L. 108–173, excluding section  
4 1201 of P.L. 108–173, P.L. 108–203, P.L. 108–218, P.L. 108–311, excluding sections  
5 306, 307, 308, 316, 401, and 403 (a) of P.L. 108–311, P.L. 108–357, excluding sections  
6 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108–357, P.L.  
7 108–375, P.L. 109–7, P.L. 109–58, excluding sections 1305, 1308, 1309, 1310, 1323,  
8 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109–58, P.L. 109–135, excluding  
9 sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and  
10 (q), and 405 of P.L. 109–135, and P.L. 109–280, excluding sections 811 and 844 of P.L.  
11 109–280, apply for Wisconsin purposes at the same time as for federal purposes.

12 **SECTION 40.** 71.22 (4) (q) of the statutes, as affected by 2007 Wisconsin Act 20,  
13 is amended to read:

14 71.22 **(4)** (q) Except as provided in sub. (4m) and ss. 71.26 ~~(2) (b)~~ and (3), 71.34  
15 (1g), and 71.42 (2), “Internal Revenue Code,” for taxable years that begin after  
16 December 31, 2003, and before January 1, 2005, means the federal Internal Revenue  
17 Code as amended to December 31, 2003, excluding sections 103, 104, and 110 of P.L.  
18 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66,  
19 sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 106–519,  
20 sections 162 and 165 of P.L. 106–554, P.L. 106–573, section 431 of P.L. 107–16,  
21 sections 101 and 301 (a) of P.L. 107–147, sections 106, 201, and 202 of P.L. 108–27,  
22 section 109 of P.L. 108–121, and section 1201 of P.L. 108–173, and as amended by P.L.  
23 108–203, P.L. 108–218, P.L. 108–311, excluding sections 306, 307, 308, 316, 401, and  
24 403 (a) of P.L. 108–311, P.L. 108–357, excluding sections 101, 201, 211, 242, 244, 336,  
25 337, 422, 847, 909, and 910 of P.L. 108–357, P.L. 108–375, P.L. 108–476, P.L. 109–7,

1 P.L. 109–58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328,  
2 1329, 1348, and 1351 of P.L. 109–58, P.L. 109–73, excluding section 301 of P.L.  
3 109–73, P.L. 109–135, excluding sections 101, 105, 201 (a) as it relates to section  
4 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109–135, P.L. 109–227, and P.L.  
5 109–280, excluding sections 811 and 844 of P.L. 109–280, and as indirectly affected  
6 in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L.  
7 100–647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823  
8 (c) (2) of P.L. 99–514 and section 1008 (g) (5) of P.L. 100–647, P.L. 101–73, P.L.  
9 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections  
10 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding  
11 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L.  
12 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections  
13 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L.  
14 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L.  
15 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of  
16 P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L.  
17 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147, excluding sections 101 and 301 (a)  
18 of P.L. 107–147, P.L. 107–181, P.L. 107–210, P.L. 107–276, P.L. 107–358, P.L. 108–27,  
19 excluding sections 106, 201, and 202 of P.L. 108–27, P.L. 108–121, excluding section  
20 109 of P.L. 108–121, P.L. 108–173, excluding section 1201 of P.L. 108–173, P.L.  
21 108–203, P.L. 108–218, P.L. 108–311, excluding sections 306, 307, 308, 316, 401, and  
22 403 (a) of P.L. 108–311, P.L. 108–357, excluding sections 101, 201, 211, 242, 244, 336,  
23 337, 422, 847, 909, and 910 of P.L. 108–357, P.L. 108–375, P.L. 108–476, P.L. 109–7,  
24 P.L. 109–58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328,  
25 1329, 1348, and 1351 of P.L. 109–58, P.L. 109–73, excluding section 301 of P.L.

1 109–73, P.L. 109–135, excluding sections 101, 105, 201 (a) as it relates to section  
2 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109–135, P.L. 109–227, and P.L.  
3 109–280, excluding sections 811 and 844 of P.L. 109–280. The Internal Revenue Code  
4 applies for Wisconsin purposes at the same time as for federal purposes.  
5 Amendments to the federal Internal Revenue Code enacted after December 31, 2003,  
6 do not apply to this paragraph with respect to taxable years beginning after  
7 December 31, 2003, and before January 1, 2005, except that changes to the Internal  
8 Revenue Code made by P.L. 108–203, P.L. 108–218, P.L. 108–311, excluding sections  
9 306, 307, 308, 316, 401, and 403 (a) of P.L. 108–311, P.L. 108–357, excluding sections  
10 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108–357, P.L.  
11 108–375, P.L. 108–476, P.L. 109–7, P.L. 109–58, excluding sections 1305, 1308, 1309,  
12 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109–58, P.L. 109–73,  
13 excluding section 301 of P.L. 109–73, P.L. 109–135, excluding sections 101, 105, 201  
14 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L.  
15 109–135, P.L. 109–227, and P.L. 109–280, excluding sections 811 and 844 of P.L.  
16 109–280, and changes that indirectly affect the provisions applicable to this  
17 subchapter made by P.L. 108–203, P.L. 108–218, P.L. 108–311, excluding sections  
18 306, 307, 308, 316, 401, and 403 (a) of P.L. 108–311, P.L. 108–357, excluding sections  
19 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108–357, P.L.  
20 108–375, P.L. 108–476, P.L. 109–7, P.L. 109–58, excluding sections 1305, 1308, 1309,  
21 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109–58, P.L. 109–73,  
22 excluding section 301 of P.L. 109–73, P.L. 109–135, excluding sections 101, 105, 201  
23 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L.  
24 109–135, P.L. 109–227, and P.L. 109–280, excluding sections 811 and 844 of P.L.  
25 109–280, apply for Wisconsin purposes at the same time as for federal purposes.

1           **SECTION 41.** 71.22 (4) (r) of the statutes, as affected by 2007 Wisconsin Act 20,  
2 is amended to read:

3           71.22 **(4)** (r) Except as provided in sub. (4m) and ss. 71.26 ~~(2)(b)~~ and (3), 71.34  
4 (1g), and 71.42 (2), “Internal Revenue Code,” for taxable years that begin after  
5 December 31, 2004, and before January 1, 2006, means the federal Internal Revenue  
6 Code as amended to December 31, 2004, excluding sections 103, 104, and 110 of P.L.  
7 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66,  
8 sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, sections 1, 3,  
9 4, and 5 of P.L. 106–519, sections 162 and 165 of P.L. 106–554, P.L. 106–573, section  
10 431 of P.L. 107–16, sections 101 and 301 (a) of P.L. 107–147, sections 106, 201, and  
11 202 of P.L. 108–27, section 1201 of P.L. 108–173, sections 306, 308, 316, 401, and 403  
12 (a) of P.L. 108–311, and sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and  
13 910 of P.L. 108–357, and as amended by P.L. 109–7, P.L. 109–58, excluding sections  
14 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L.  
15 109–58, P.L. 109–73, excluding section 301 of P.L. 109–73, P.L. 109–135, excluding  
16 sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and  
17 (q), and 405 of P.L. 109–135, P.L. 109–151, P.L. 109–222, excluding sections 101, 207,  
18 209, 503, 512, and 513 of P.L. 109–222, P.L. 109–227, and P.L. 109–280, excluding  
19 sections 811 and 844 of P.L. 109–280, and as indirectly affected in the provisions  
20 applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, excluding  
21 sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99–514  
22 and section 1008 (g) (5) of P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L.  
23 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L.  
24 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150  
25 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L.

1 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f),  
2 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L.  
3 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L.  
4 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–15,  
5 P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L.  
6 107–134, P.L. 107–147, excluding sections 101 and 301 (a) of P.L. 107–147, P.L.  
7 107–181, P.L. 107–210, P.L. 107–276, P.L. 107–358, P.L. 108–27, excluding sections  
8 106, 201, and 202 of P.L. 108–27, P.L. 108–121, P.L. 108–173, excluding section 1201  
9 of P.L. 108–173, P.L. 108–203, P.L. 108–218, P.L. 108–311, excluding sections 306,  
10 308, 316, 401, and 403 (a) of P.L. 108–311, P.L. 108–357, excluding sections 101, 201,  
11 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108–357, P.L. 108–375, P.L.  
12 108–476, P.L. 109–7, P.L. 109–58, excluding sections 1305, 1308, 1309, 1310, 1323,  
13 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109–58, P.L. 109–73, excluding  
14 section 301 of P.L. 109–73, P.L. 109–135, excluding sections 101, 105, 201 (a) as it  
15 relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109–135, P.L.  
16 109–151, P.L. 109–222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L.  
17 109–222, P.L. 109–227, and P.L. 109–280, excluding sections 811 and 844 of P.L.  
18 109–280. The Internal Revenue Code applies for Wisconsin purposes at the same  
19 time as for federal purposes. Amendments to the federal Internal Revenue Code  
20 enacted after December 31, 2004, do not apply to this paragraph with respect to  
21 taxable years beginning after December 31, 2004, and before January 1, 2006,  
22 except that changes to the Internal Revenue Code made by P.L. 109–7, P.L. 109–58,  
23 excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348,  
24 and 1351 of P.L. 109–58, P.L. 109–73, excluding section 301 of P.L. 109–73, P.L.  
25 109–135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402

1 (e), 403 (e), (j), and (q), and 405 of P.L. 109–135, P.L. 109–151, P.L. 109–222, excluding  
2 sections 101, 207, 209, 503, 512, and 513 of P.L. 109–222, P.L. 109–227, and P.L.  
3 109–280, excluding sections 811 and 844 of P.L. 109–280, and changes that indirectly  
4 affect the provisions applicable to this subchapter made by P.L. 109–7, P.L. 109–58,  
5 excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348,  
6 and 1351 of P.L. 109–58, P.L. 109–73, excluding section 301 of P.L. 109–73, P.L.  
7 109–135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402  
8 (e), 403 (e), (j), and (q), and 405 of P.L. 109–135, P.L. 109–151, P.L. 109–222, excluding  
9 sections 101, 207, 209, 503, 512, and 513 of P.L. 109–222, P.L. 109–227, and P.L.  
10 109–280, excluding sections 811 and 844 of P.L. 109–280, apply for Wisconsin  
11 purposes at the same time as for federal purposes.

12 **SECTION 42.** 71.22 (4) (s) of the statutes, as created by 2007 Wisconsin Act 20,  
13 is amended to read:

14 71.22 **(4)** (s) Except as provided in sub. (4m) and ss. 71.26 ~~(2)(b)~~ and (3), 71.34  
15 (1g), and 71.42 (2), “Internal Revenue Code,” for taxable years that begin after  
16 December 31, 2005, and before January 1, 2007, means the federal Internal Revenue  
17 Code as amended to December 31, 2005, excluding sections 103, 104, and 110 of P.L.  
18 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66,  
19 sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, sections 1, 3,  
20 4, and 5 of P.L. 106–519, sections 162 and 165 of P.L. 106–554, P.L. 106–573, section  
21 431 of P.L. 107–16, sections 101 and 301 (a) of P.L. 107–147, sections 106, 201, and  
22 202 of P.L. 108–27, section 1201 of P.L. 108–173, sections 306, 308, 316, 401, and 403  
23 (a) of P.L. 108–311, sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910  
24 of P.L. 108–357, P.L. 109–1, sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326,  
25 1328, 1329, 1348, and 1351 of P.L. 109–58, section 11146 of P.L. 109–59, section 301

1 of P.L. 109–73, and sections 101, 105, 201 (a) as it relates to section 1400S (a), 402  
2 (e), 403 (e), (j), and (q), and 405 of P.L. 109–135, and as amended by P.L. 109–222,  
3 excluding sections 101, 207, 209, 503, 512, and 513 of P.L. 109–222, P.L. 109–227, and  
4 P.L. 109–280, excluding sections 811 and 844 of P.L. 109–280, and as indirectly  
5 affected in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203,  
6 P.L. 100–647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and  
7 823 (c) (2) of P.L. 99–514 and section 1008 (g) (5) of P.L. 100–647, P.L. 101–73, P.L.  
8 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections  
9 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding  
10 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L.  
11 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections  
12 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L.  
13 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L.  
14 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of  
15 P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L.  
16 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147, excluding sections 101 and 301 (a)  
17 of P.L. 107–147, P.L. 107–181, P.L. 107–210, P.L. 107–276, P.L. 107–358, P.L. 108–27,  
18 excluding sections 106, 201, and 202 of P.L. 108–27, P.L. 108–121, P.L. 108–173,  
19 excluding section 1201 of P.L. 108–173, P.L. 108–203, P.L. 108–218, P.L. 108–311,  
20 excluding sections 306, 308, 316, 401, and 403 (a) of P.L. 108–311, P.L. 108–357,  
21 excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L.  
22 108–357, P.L. 108–375, P.L. 108–476, P.L. 109–7, P.L. 109–58, excluding sections  
23 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L.  
24 109–58, P.L. 109–59, excluding section 11146 of P.L. 109–59, P.L. 109–73, excluding  
25 section 301 of P.L. 109–73, P.L. 109–135, excluding sections 101, 105, 201 (a) as it

1 relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109–135, P.L.  
2 109–151, P.L. 109–222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L.  
3 109–222, P.L. 109–227, and P.L. 109–280, excluding sections 811 and 844 of P.L.  
4 109–280. The Internal Revenue Code applies for Wisconsin purposes at the same  
5 time as for federal purposes. Amendments to the federal Internal Revenue Code  
6 enacted after December 31, 2005, do not apply to this paragraph with respect to  
7 taxable years beginning after December 31, 2005, and before January 1, 2007,  
8 except that changes to the Internal Revenue Code made by P.L. 109–222, excluding  
9 sections 101, 207, 209, 503, 512, and 513 of P.L. 109–222, P.L. 109–227, and P.L.  
10 109–280, excluding sections 811 and 844 of P.L. 109–280, and changes that indirectly  
11 affect the provisions applicable to this subchapter made by P.L. 109–222, excluding  
12 sections 101, 207, 209, 503, 512, and 513 of P.L. 109–222, P.L. 109–227, and P.L.  
13 109–280, excluding sections 811 and 844 of P.L. 109–280, apply for Wisconsin  
14 purposes at the same time as for federal purposes.

15 **SECTION 43.** 71.22 (4) (t) of the statutes, as created by 2007 Wisconsin Act 20,  
16 is amended to read:

17 71.22 (4) (t) Except as provided in sub. (4m) and ss. 71.26 ~~(2) (b)~~ and (3), 71.34  
18 (1g), and 71.42 (2), “Internal Revenue Code,” for taxable years that begin after  
19 December 31, 2006, means the federal Internal Revenue Code as amended to  
20 December 31, 2006, excluding sections 103, 104, and 110 of P.L. 102–227, sections  
21 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, sections 1123 (b),  
22 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, sections 1, 3, 4, and 5 of P.L.  
23 106–519, sections 162 and 165 of P.L. 106–554, P.L. 106–573, section 431 of P.L.  
24 107–16, sections 101 and 301 (a) of P.L. 107–147, sections 106, 201, and 202 of P.L.  
25 108–27, section 1201 of P.L. 108–173, sections 306, 308, 316, 401, and 403 (a) of P.L.

1 108–311, sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L.  
2 108–357, P.L. 109–1, sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328,  
3 1329, 1348, and 1351 of P.L. 109–58, section 11146 of P.L. 109–59, section 301 of P.L.  
4 109–73, sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e),  
5 (j), and (q), and 405 of P.L. 109–135, sections 101, 207, 209, 503, 512, and 513 of P.L.  
6 109–222, sections 811 and 844 of P.L. 109–280, and P.L. 109–432, and as indirectly  
7 affected in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203,  
8 P.L. 100–647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and  
9 823 (c) (2) of P.L. 99–514 and section 1008 (g) (5) of P.L. 100–647, P.L. 101–73, P.L.  
10 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections  
11 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding  
12 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L.  
13 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections  
14 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L.  
15 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L.  
16 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of  
17 P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L.  
18 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147, excluding sections 101 and 301 (a)  
19 of P.L. 107–147, P.L. 107–181, P.L. 107–210, P.L. 107–276, P.L. 107–358, P.L. 108–27,  
20 excluding sections 106, 201, and 202 of P.L. 108–27, P.L. 108–121, P.L. 108–173,  
21 excluding section 1201 of P.L. 108–173, P.L. 108–203, P.L. 108–218, P.L. 108–311,  
22 excluding sections 306, 308, 316, 401, and 403 (a) of P.L. 108–311, P.L. 108–357,  
23 excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L.  
24 108–357, P.L. 108–375, P.L. 108–476, P.L. 109–7, P.L. 109–58, excluding sections  
25 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L.

1 109–58, P.L. 109–59, excluding section 11146 of P.L. 109–59, P.L. 109–73, excluding  
2 section 301 of P.L. 109–73, P.L. 109–135, excluding sections 101, 105, 201 (a) as it  
3 relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109–135, P.L.  
4 109–151, P.L. 109–222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L.  
5 109–222, P.L. 109–227, and P.L. 109–280, excluding sections 811 and 844 of P.L.  
6 109–280. The Internal Revenue Code applies for Wisconsin purposes at the same  
7 time as for federal purposes. Amendments to the federal Internal Revenue Code  
8 enacted after December 31, 2006, do not apply to this paragraph with respect to  
9 taxable years beginning after December 31, 2006.

10 **SECTION 44.** 71.22 (9a) of the statutes is created to read:

11 71.22 (9a) “Qualified real estate investment trust” means a real estate  
12 investment trust, except a real estate investment trust of which more than 50  
13 percent of the voting power or value of the beneficial interests or shares are owned  
14 or controlled, directly or indirectly, by a single entity that is subject to sections 301  
15 to 385 of the Internal Revenue Code, that is not exempt under s. 71.26 (1), and that  
16 is not a real estate investment trust or a qualified real estate trust subsidiary under  
17 section 856 (i) of the Internal Revenue Code.

18 **SECTION 45.** 71.22 (9c) of the statutes is created to read:

19 71.22 (9c) “Real estate investment trust” means a real estate investment trust  
20 under section 856 of the Internal Revenue Code.

21 **SECTION 46.** 71.22 (9d) of the statutes is created to read:

22 71.22 (9d) “Real estate mortgage investment conduit” means a real estate  
23 mortgage investment conduit under section 860D of the Internal Revenue Code.

24 **SECTION 47.** 71.22 (9e) of the statutes is created to read:

1           71.22 **(9e)** “Regulated investment company” means a regulated investment  
2 company under section 851 of the Internal Revenue Code.

3           **SECTION 48.** 71.26 (2) (b) of the statutes is repealed and recreated to read:

4           71.26 **(2)** (b) *Regulated investment companies, real estate investment trusts,*  
5 *and real estate mortgage investment conduits.* 1. In this paragraph, except as  
6 provided in subds. 2. to 4., “net income” means one of the following:

7           a. That part of the federal regulated investment company income that is subject  
8 to federal tax as provided in sections 851 and 852 of the Internal Revenue Code,  
9 including federal undistributed net capital gain.

10          b. That part of the federal real estate investment trust income that is subject  
11 to federal tax as provided in sections 856 and 857 of the Internal Revenue Code,  
12 including federal undistributed net capital gain, federal net income from foreclosure  
13 property, and federal net income derived from prohibited transactions. The  
14 treatment of certain wholly owned subsidiaries under section 856 (i) of the Internal  
15 Revenue Code shall apply in computing the net income of a real estate investment  
16 trust.

17          c. That part of the federal real estate mortgage investment conduit income that  
18 is subject to federal tax, including federal net income derived from prohibited  
19 transactions under section 860F of the Internal Revenue Code and federal net  
20 income from foreclosure property under section 860G of the Internal Revenue Code.

21          2. Property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be  
22 depreciated for taxable years 1983 to 1986 under the Internal Revenue Code as  
23 amended to December 31, 1980, shall continue to be depreciated under the Internal  
24 Revenue Code as amended to December 31, 1980.

1           3. With regard to federal regulated investment company income, federal real  
2           estate investment trust income, and federal real estate mortgage investment conduit  
3           income, the appropriate amount shall be added or subtracted to reflect differences  
4           between the depreciation or adjusted basis for federal income tax purposes and the  
5           depreciation or adjusted basis under this chapter of any property disposed of during  
6           the taxable year.

7           4. The dividend paid deduction otherwise allowed by federal law in computing  
8           net income of a real estate investment trust that is subject to federal income tax shall  
9           be added back in computing the tax imposed under this chapter unless the real estate  
10          investment trust is a qualified real estate investment trust.

11          **SECTION 49.** 84.013 (2) of the statutes is amended to read:

12          84.013 (2) (a) Subject to ss. 84.555 and 86.255, major highway projects shall  
13          be funded from the appropriations under ss. 20.395 (3) (bq) to (bx) and (4) (jq) and  
14          20.866 (2) (ur) to (uum) and (uut).

15          (b) Except as provided in ss. 84.014, 84.03 (3), and 84.555, and subject to s.  
16          86.255, reconditioning, reconstruction and resurfacing of highways shall be funded  
17          from the appropriations under ss. 20.395 (3) (cq) to (cx) and 20.866 (2) (uur) and (uut).

18          **SECTION 50.** 84.014 (2) of the statutes is amended to read:

19          84.014 (2) Subject to ss. 84.555 and 86.255, any southeast Wisconsin freeway  
20          rehabilitation projects, including the Marquette interchange reconstruction project  
21          and projects that involve adding one or more lanes 5 miles or more in length to the  
22          existing freeway, may be funded only from the appropriations under ss. 20.395 (3)  
23          (cr), (ct), (cw), and (cy) and 20.866 (2) (uum) ~~and~~ (uup), and (uut).

24          **SECTION 51.** 84.557 of the statutes is created to read:

1           **84.557 Additional funding of major highway projects and southeast**  
2           **Wisconsin freeway and state highway rehabilitation projects.**

3           Notwithstanding ss. 84.51, 84.555, 84.59, and 84.95, major highway projects, as  
4           defined under s. 84.013 (1) (a), for the purposes of ss. 84.06 and 84.09, southeast  
5           Wisconsin freeway rehabilitation projects under s. 84.014, and state highway  
6           rehabilitation projects for the purposes specified in s. 20.395 (3) (cq), may be funded  
7           with the proceeds of general obligation bonds issued under s. 20.866 (2) (uut).

8           **SECTION 52.** 146.99 of the statutes is repealed.

9           **SECTION 9101. Nonstatutory provisions; Administration.**

10          (1) **DISBURSEMENTS.** Notwithstanding section 16.50 (5) of the statutes, during  
11          the 2007–09 fiscal biennium, in the event that the secretary of administration  
12          determines that previously authorized expenditures will exceed revenues in the  
13          current or forthcoming fiscal year by more than 2 percent of the estimated general  
14          purpose revenue appropriations for that fiscal year, he or she may not decline to  
15          approve an estimate or to draw a warrant under this section 16.50 (5) of the statutes,  
16          but shall instead proceed under subsection (2).

17          (2) **REVENUE SHORTFALL.**

18          (a) Notwithstanding section 16.50 (7) (a) of the statutes, during the 2007–09  
19          fiscal biennium, if the secretary of administration determines that previously  
20          authorized expenditures will exceed revenues in the current or forthcoming fiscal  
21          year by more than 2 percent of the estimated general purpose revenue  
22          appropriations for that fiscal year, he or she may not take any action under section  
23          16.50 (2) of the statutes and shall immediately notify the governor, the presiding  
24          officers of each house of the legislature, and the joint committee on finance.

1 (b) Notwithstanding section 16.50 (7) (b) of the statutes, during the 2007–09  
2 fiscal biennium, following the notification under paragraph (a), the governor shall  
3 submit a bill containing his or her recommendations for correcting the imbalance  
4 between projected revenues and authorized expenditures, including a  
5 recommendation as to whether moneys should be transferred from the budget  
6 stabilization fund to the general fund. If the legislature is not in a floorperiod at the  
7 time of the secretary’s notification, the governor shall call a special session of the  
8 legislature to take up the matter of the projected revenue shortfall and the governor  
9 shall submit his or her bill for consideration at that session.

10 (3) TEMPORARY REALLOCATIONS TO THE GENERAL FUND. Notwithstanding section  
11 20.002 (11) (b) 2. of the statutes, except as provided in section 20.002 (11) (b) 3. of the  
12 statutes, the secretary of administration, during the 2007–09 fiscal biennium, shall  
13 limit the total amount of any temporary reallocations to the general fund at any one  
14 time during a fiscal year to an amount equal to 10 percent of the total amounts shown  
15 in the schedule under section 20.005 (3) of the statutes, as affected by the acts of 2007,  
16 of appropriations of general purpose revenues, calculated by the secretary as of that  
17 time and for that fiscal year.

18 **SECTION 9130. Nonstatutory provisions; legislature.**

19 (1) REQUIRED GENERAL FUND STRUCTURAL BALANCE. Notwithstanding section  
20 20.003 (4m) of the statutes, no bill may be adopted by the legislature during the  
21 2007–09 fiscal biennium if the bill would cause in any fiscal year the amount of  
22 moneys designated as “Total Expenditures” in the summary under section 20.005 (1)  
23 of the statutes, as affected by the acts of 2007, for that fiscal year to exceed the sum  
24 of the amounts of moneys designated as “Taxes” and “Departmental Revenues” in the

1 summary under section 20.005 (1) of the statutes, as affected by the acts of 2007, for  
2 that fiscal year plus the balance of the budget stabilization fund.

3 **SECTION 9148. Nonstatutory provisions; Transportation.**

4 (1) JOINT FINANCE COMMITTEE SUPPLEMENTAL FUNDING RELATED TO REAL ID ACT  
5 IMPLEMENTATION. Notwithstanding section 13.101 (1), (3), and (5) of the statutes, the  
6 joint committee on finance may not, for purposes relating to implementation of the  
7 federal REAL ID Act of 2005, supplement in fiscal year 2007–08, from the  
8 appropriation account under section 20.865 (4) (u) of the statutes, any appropriation  
9 of the department of transportation unless after the supplement there remains  
10 unexpended in fiscal year 2007–08 at least \$5,000,000 of the amount estimated in  
11 the schedule under section 20.005 (3) of the statutes, as created by 2007 Wisconsin  
12 Act 20, for the appropriation account under section 20.865 (4) (u) of the statutes, for  
13 expenditures of the department of transportation in fiscal year 2007–08 relating to  
14 implementation of the federal REAL ID Act of 2005.

15 (2) ESTIMATES FOR CERTAIN DEPARTMENT OF TRANSPORTATION APPROPRIATIONS.  
16 Notwithstanding s. 84.03 (2), the secretary of administration and department of  
17 transportation shall estimate the following additional revenues, for the following  
18 appropriations, which additional revenues are not reflected in the schedule under  
19 section 20.005 (3) of the statutes, as created by 2007 Wisconsin Act 20:

20 (a) Additional revenues of \$48,032,500 in fiscal year 2007–08, and additional  
21 revenues of \$18,967,500 in fiscal year 2008–09, for the appropriation account under  
22 section 20.395 (3) (br) of the statutes.

23 (b) Additional revenues of \$10,967,500 in fiscal year 2007–08 for the  
24 appropriation account under section 20.395 (3) (bx) of the statutes.

1           (c) Additional revenues of \$58,000,000 in fiscal year 2007–08 for the  
2 appropriation account under section 20.395 (3) (cx) of the statutes.

3           (d) Additional revenues of \$8,000,000 in fiscal year 2007–08 for the  
4 appropriation account under section 20.395 (3) (cy) of the statutes.

5           (3) ESTIMATES FOR CERTAIN DEPARTMENT OF TRANSPORTATION BOND PROCEEDS. The  
6 secretary of administration and department of transportation shall estimate  
7 additional revenues derived from general obligation bonding as follows:

8           (a) Additional revenues of \$67,500,000 in fiscal year 2007–08, and additional  
9 revenues of \$80,000,000 in fiscal year 2008–09, from proceeds of general obligation  
10 bonds issued under s. 20.866 (2) (uut), to fund state highway rehabilitation projects.

11           (b) Additional revenues of \$22,500,000 in fiscal year 2007–08, and additional  
12 revenues of \$20,000,000 in fiscal year 2008–09, from proceeds of general obligation  
13 bonds issued under s. 20.866 (2) (uut), to fund southeast Wisconsin freeway  
14 rehabilitation projects.

15           (4) DEPARTMENT OF TRANSPORTATION REQUESTS FOR 2009–11 BIENNIAL BUDGET BILL.  
16 Notwithstanding section 16.42 (1) (e) of the statutes, in submitting information  
17 under section 16.42 of the statutes for purposes of the 2009–11 biennial budget bill,  
18 the department of transportation shall submit dollar amounts reflecting the  
19 following modifications, for the following appropriations, before submitting any  
20 information relating to any increase or decrease in the dollar amounts for these  
21 appropriations for the 2009–11 fiscal biennium:

22           (a) For the appropriation under section 20.395 (3) (bq) of the statutes, a dollar  
23 amount that is \$18,967,500 more than the total amount appropriated under section  
24 20.395 (3) (bq) of the statutes for the 2008–09 fiscal year.

1 (b) For the appropriation under section 20.395 (3) (cq) of the statutes, a dollar  
2 amount that is \$80,000,000 more than the total amount appropriated under section  
3 20.395 (3) (cq) of the statutes for the 2008–09 fiscal year.

4 (c) For the appropriation under section 20.395 (3) (cr) of the statutes, a dollar  
5 amount that is \$20,000,000 more than the total amount appropriated under section  
6 20.395 (3) (cr) of the statutes for the 2008–09 fiscal year.

7 **SECTION 9201. Fiscal changes; Administration.**

8 (1) TRANSFERS FROM THE BUDGET STABILIZATION FUND TO THE GENERAL FUND.

9 (a) If the secretary of administration determines that the projected general  
10 fund balance on June 30, 2008, will be less than the amount required under section  
11 20.003 (4) (ft) of the statutes, the secretary may transfer during the 2007–08 fiscal  
12 year any amount of moneys from the budget stabilization fund to the general fund.

13 (b) If the secretary of administration determines that the projected general  
14 fund balance on June 30, 2009, will be less than the amount required under section  
15 20.003 (4) (fv) of the statutes, the secretary may transfer during the 2008–09 fiscal  
16 year any amount of moneys from the budget stabilization fund to the general fund.

17 (2) LAPSE OR TRANSFER OF ANY UNENCUMBERED MONEYS IN APPROPRIATION ACCOUNTS  
18 AND FUNDS.

19 (a) Notwithstanding sections 20.001 (3) (a) to (c) and 25.40 (3) of the statutes,  
20 but subject to paragraphs (b) and (c), the secretary of administration shall lapse to  
21 the general fund or transfer to the general fund from the unencumbered balances of  
22 appropriations to executive branch state agencies, other than sum sufficient  
23 appropriations and appropriations of federal revenues, an amount equal to  
24 \$330,400,000 during the 2007–09 fiscal biennium and \$330,400,000 during the  
25 2009–11 fiscal biennium. The amounts lapsed or transferred under this paragraph

1 shall be in addition to the amounts lapsed or transferred under 2007 Wisconsin Act  
2 20, section 9201 (1c) (a) to (c).

3 (b) The secretary of administration may not lapse or transfer moneys under  
4 paragraph (a) if the lapse or transfer would violate a condition imposed by the federal  
5 government on the expenditure of the moneys or if the lapse or transfer would violate  
6 the federal or state constitution.

7 (c) Not more than a total of \$293,000,000 may be lapsed or transferred under  
8 paragraph (a) and 2007 Wisconsin Act 20, section 9201 (1c) (a), during the 2007–09  
9 fiscal biennium to the general fund from appropriations to the department of  
10 transportation.

11 **SECTION 9221. Fiscal changes; Health and Family Services.**

12 (1) MEDICAL ASSISTANCE GENERAL PURPOSE REVENUE DECREASE. In the schedule  
13 under section 20.005 (3) of the statutes for the appropriation to the department of  
14 health and family services under section 20.435 (4) (b) of the statutes, as affected by  
15 the acts of 2007, the dollar amount is decreased by \$60,000,000 for fiscal year  
16 2007–08 and the dollar amount is decreased by \$62,500,000 for fiscal year 2008–09  
17 for the purposes for which the appropriation is made.

18 (2) HOSPITAL ASSESSMENT FUND TRANSFER. The department of administration  
19 shall transfer from the hospital assessment fund to the Medical Assistance trust  
20 fund \$58,500,000 in fiscal year 2007–08 and \$65,000,000 in fiscal year 2008–09, as  
21 adjusted, if necessary, to comply with section 50.375 (6) of the statutes, as created by  
22 this act.

23 (3) MEDICAL ASSISTANCE TRUST FUND APPROPRIATION INCREASE. In the schedule  
24 under section 20.005 (3) of the statutes for the appropriation to the department of  
25 health and family services under section 20.435 (4) (w) of the statutes, as affected by

1 the acts of 2007, the dollar amount is increased by \$58,500,000 for fiscal year  
2 2007–08 and the dollar amount is increased by \$65,000,000 for fiscal year 2008–09  
3 for the purposes for which the appropriation is made.

4 (4) MEDICAL ASSISTANCE PROGRAM BENEFITS. In the schedule under section  
5 20.005 (3) of the statutes for the appropriation to the department of health and family  
6 services under section 20.435 (4) (b) of the statutes, as affected by the acts of 2007,  
7 the dollar amount is decreased by \$15,000,000 for fiscal year 2007–08 and the dollar  
8 amount is decreased by \$15,000,000 for fiscal year 2008–09 to reduce funding for the  
9 purposes for which the appropriation is made.

10 **SECTION 9237. Fiscal changes; Public Instruction.**

11 (1) PUBLIC LIBRARY SYSTEM AID.

12 (a) In the schedule under section 20.005 (3) of the statutes for the appropriation  
13 to the department of public instruction under section 20.255 (3) (e) of the statutes,  
14 as affected by the acts of 2007, the dollar amount is decreased by \$11,297,400 for  
15 fiscal year 2008–09 to decrease funding for the purpose for which the appropriation  
16 is made.

17 (b) In the schedule under section 20.005 (3) of the statutes for the appropriation  
18 to the department of public instruction under section 20.255 (3) (qm) of the statutes,  
19 as affected by the acts of 2007, the dollar amount is increased by \$11,297,400 for  
20 fiscal year 2008–09 to increase funding for the purpose for which the appropriation  
21 is made.

22 **SECTION 9248. Fiscal changes; Transportation.**

23 (1) TRANSFER TO GENERAL FUND. Notwithstanding section 25.40 (3) (a) of the  
24 statutes, the secretary of administration shall transfer \$5,000,000 from the  
25 transportation fund to the general fund in fiscal year 2007–08.

1           (2) APPROPRIATION CHANGES FOR MAJOR HIGHWAY PROJECTS. In the schedule under  
2 section 20.005 (3) of the statutes for the appropriation to the department of  
3 transportation under section 20.395 (3) (bq) of the statutes, as affected by the acts  
4 of 2007, the dollar amount is decreased by \$59,000,000 for fiscal year 2007–08 and  
5 the dollar amount is decreased by \$18,967,500 for fiscal year 2008–09 to decrease  
6 funding for major development of state trunk and connecting highways.

7           (3) APPROPRIATION CHANGES FOR STATE HIGHWAY REHABILITATION PROJECTS. In the  
8 schedule under section 20.005 (3) of the statutes for the appropriation to the  
9 department of transportation under section 20.395 (3) (cq) of the statutes, as affected  
10 by the acts of 2007, the dollar amount is decreased by \$125,500,000 for fiscal year  
11 2007–08 and the dollar amount is decreased by \$80,000,000 for fiscal year 2008–09  
12 to decrease funding for improvement of existing state trunk and connecting  
13 highways and construction and rehabilitation of the national system of interstate  
14 and defense highways and bridges and related appurtenances.

15           (4) APPROPRIATION CHANGES FOR SOUTHEAST WISCONSIN FREEWAY REHABILITATION  
16 PROJECTS. In the schedule under section 20.005 (3) of the statutes for the  
17 appropriation to the department of transportation under section 20.395 (3) (cr) of the  
18 statutes, as affected by the acts of 2007, the dollar amount is decreased by  
19 \$30,500,000 for fiscal year 2007–08 and the dollar amount is decreased by  
20 \$20,000,000 for fiscal year 2008–09 to decrease funding for rehabilitation of  
21 southeast Wisconsin freeways.

22           **SECTION 9341. Initial applicability; Revenue**

