

## Income/Franchise:

### Wisconsin: Bulletin Reflects New Law Addressing Impact of Federal Partnership Audit Changes

*Tax Bulletin 217*, Wis. Dept. of Rev. (4/22). The Wisconsin Department of Revenue (Department) issued an administrative bulletin reflecting new law [see S.B. 794 (2022) / Act 262 and *State Tax Matters*, Issue 2022-16, for more details on this new law] that modifies several aspects related to tax audits of certain pass-through entities, including partnerships, limited liability companies, and tax-option (S) corporations. Among the law changes are provisions that allow tax assessments and refunds at the pass-through entity level related to items of income, gain, loss, deduction, credit, or any other item that originates with a pass-through entity required to be reported by one or more pass-through members in certain instances. Additionally, if a partnership receives an Internal Revenue Service (IRS) audit adjustment at the partnership level, the partnership may request within 60 days after the final federal determination date to amend its Wisconsin partnership return and pay tax on behalf of its partners. If the request is approved, the partnership must amend its Wisconsin partnership return for each reviewed year within 180 days from the date the Department approves the request.

**URL:** <https://www.revenue.wi.gov/WisconsinTaxBulletin/217-04-22-WTB.pdf>

**URL:** <https://docs.legis.wisconsin.gov/2021/proposals/reg/sen/bill/sb794>

**URL:** [https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2022/STM/220422\\_10.html](https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2022/STM/220422_10.html)

See forthcoming Multistate Tax Alert for additional details on these law changes and administrative guidance, and please contact us with any questions in the meantime.

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