

TAX REFORM BILL PASSES WITH ADVOCACY FROM BRITANY MORRISON AND NANCY WILSON

Britany Morrison and Nancy Wilson, as directors of the Wisconsin State Bar's Taxation Law Section Board, advocated for the inclusion of the Internal Revenue Code [Section 1202](#) stock provisions in Assembly Bill 406, now 2023 Wisconsin Act 36. The Taxation Law Section Board collaborated with its government liaison and lobbyist, who then successfully championed the proposed change. Act 36 rectifies Wisconsin's tax statute, bringing it in line with the federal guidelines regarding the retroactive date for the 100% capital gain exclusion under IRC Section 1202.

The revised legislation aligns Wisconsin's statutes with the federal rules concerning the exclusion of capital gains from the sale of shares of qualified small businesses, commonly known as 1202 Stock. It allows for a 50% exclusion rate upon sale for stock acquired after August 10, 1993, and before February 17, 2009; a 75% exclusion rate for stock acquired after February 17, 2009, and on or before September 27, 2010; and a full 100% exclusion for stock acquired after September 27, 2010. This marks a significant departure from Wisconsin's previous limitation of a maximum 50% exclusion.

Thanks to the entire Section Board for helping to shape the future of taxation in Wisconsin.