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Combined Reporting: What next?

Governor Jim Doyle may soon be signing into law a bill now pending before the Legislature that will require all corporations, including banks and bank holding companies, to use "**combined reporting**" when determining the amount of taxes they owe to Wisconsin. What does this mean for your bank and subsidiary? It may mean that you decide to transfer assets from your subsidiary back to the bank. Before actually transferring the assets, though, be careful. The FDIC requires the bank and the subsidiary to get approval from the FDIC before transferring all or substantially all of the assets by the subsidiary to the bank and dissolving the subsidiary. You obtain the FDIC's approval by filing a merger application with the FDIC. The FDIC also requires that you publish notice in a newspaper of the merger application. The merger procedure may take as long ten weeks so it is important to think ahead. The OCC's procedure for notice of the transfer of the assets from the subsidiary to the bank is not so detailed or lengthy.

The Boardman Banking Group has helped numerous Wisconsin banks dissolve their subsidiaries. Please contact John Knight at jknight@boardmanlawfirm.com or 608-283-1764 for further information.