



State of Wisconsin  
2023 - 2024 LEGISLATURE

LRBs0206/1  
MDE&KP:wlj

**SENATE SUBSTITUTE AMENDMENT 1,  
TO SENATE BILL 585**

December 12, 2023 - Offered by Senator FEYEN.

1       **AN ACT** *to repeal* 71.07 (3w) (bm) 5. and 71.28 (3w) (bm) 5.; *to renumber and*  
2       *amend* 71.07 (3w) (a) 1., 71.07 (3w) (a) 3., 71.28 (3w) (a) 1., 71.28 (3w) (a) 3.,  
3       71.47 (3w) (a) 1., 71.47 (3w) (a) 3., 238.308 (1) and 238.308 (3); *to amend* 71.07  
4       (3w) (a) 6., 71.07 (3y) (a) 2., 71.28 (3w) (a) 6., 71.28 (3y) (a) 2., 71.47 (3w) (a) 6.,  
5       71.47 (3y) (a) 2., 238.30 (2m) (a), 238.308 (4) (b), 238.308 (5) (a), 238.399 (5) (f)  
6       and 238.399 (6) (d); and *to create* 71.07 (3w) (a) 1. b., 71.07 (3w) (a) 3. b., 71.07  
7       (3y) (b) 6., 71.07 (3y) (c) 3., 71.28 (3w) (a) 1. b., 71.28 (3w) (a) 3. b., 71.28 (3y) (b)  
8       6., 71.28 (3y) (c) 3., 71.47 (3w) (a) 1. b., 71.47 (3w) (a) 3. b., 71.47 (3y) (b) 6., 71.47  
9       (3y) (c) 3., 238.308 (1) (b), 238.308 (2) (c), 238.308 (3) (b), 238.308 (4) (a) 6.,  
10       238.399 (1) (am) (intro.), 238.399 (1) (ar) and 238.399 (1) (as) of the statutes;

1           **relating to:** various changes to the business development tax credit and the  
2           enterprise zone jobs tax credit.

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

This bill makes several adjustments to the business development tax credit and the enterprise zone jobs tax credit. The changes apply to taxable years beginning after December 31, 2023.

Under current law, the Wisconsin Economic Development Corporation may certify a person who operates or intends to operate a business in this state to receive credits against state income and franchise taxes (tax benefits). These credits are refundable, which means that if the credit exceeds the person's tax liability, the person will receive the excess as a refund check.

#### ***Business development tax credit***

Currently, a person is eligible for business development tax benefits if the person increases net employment in this state in the person's business above what it was in the year preceding the person's certification. Under the bill, a person is eligible for tax benefits if, in each year for which the person claims tax benefits: 1) the person makes a capital investment in the person's business, and the person either creates new full-time jobs or retains existing full-time jobs; and 2) the person does not decrease net employment in this state in the person's business below the net employment in this state in the person's business during the year before the person was certified to receive tax benefits.

The bill also provides that a person may claim tax benefits of an amount equal to up to 15 percent of the person's investment in workforce housing for eligible employees and up to 15 percent of the person's investment in establishing a child care program for eligible employees.

The bill provides that WEDC must approve or deny the certification of a person within 90 days after receiving the person's application for certification.

#### ***Enterprise zone jobs tax credit***

Under current law, WEDC may designate areas as enterprise zones and certify businesses to receive tax benefits for engaging in qualifying activities in the zones, including job creation, job retention, employee training, capital investment, and supply chain purchases from Wisconsin vendors. The enterprise zone jobs tax credit provides tax benefits to businesses that are certified by WEDC and increase the level employment from the level of employment in a base year.

The bill makes the following changes to the enterprise zone jobs tax credit:

1. Changes the definition of "base year" from the tax year beginning during the calendar year prior to the calendar year in which the enterprise zone was created to the 12-month period immediately preceding the date on which the claimant is certified by WEDC.

2. Changes the definition of "full-time job" to mean a nonseasonal job for which the annual pay is greater than 150 percent of the federal minimum wage.

3. Changes the definition of “zone payroll” to mean the amount of state payroll that is attributable to wages paid to full-time employees based in an enterprise zone.

4. Removes a provision stating that WEDC may certify for enterprise zone jobs tax benefits one financial services technology business that, after completing a competitive corporate relocation process, retains its corporate headquarters in this state and retains at least 93 percent of its full-time employees in this state.

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

1           **SECTION 1.** 71.07 (3w) (a) 1. of the statutes is renumbered 71.07 (3w) (a) 1. a.  
2 and amended to read:

3           71.07 (**3w**) (a) 1. a. ~~Base~~ For taxable years beginning before January 1, 2024,  
4 “base year” means the taxable year beginning during the calendar year prior to the  
5 calendar year in which the enterprise zone in which the claimant is located takes  
6 effect.

7           **SECTION 2.** 71.07 (3w) (a) 1. b. of the statutes is created to read:

8           71.07 (**3w**) (a) 1. b. For taxable years beginning after December 31, 2023, “base  
9 year” means the 12-month period immediately preceding the date on which the  
10 claimant is certified under s. 238.399 (5).

11           **SECTION 3.** 71.07 (3w) (a) 3. of the statutes is renumbered 71.07 (3w) (a) 3. a.  
12 and amended to read:

13           71.07 (**3w**) (a) 3. a. ~~Full-time~~ For taxable years beginning before January 1,  
14 2024, “full-time employee” means a full-time employee, as defined in s. 238.399 (1)  
15 (am) or s. 560.799 (1) (am), 2009 stats.

16           **SECTION 4.** 71.07 (3w) (a) 3. b. of the statutes is created to read:

17           71.07 (**3w**) (a) 3. b. For taxable years beginning after December 31, 2023,  
18 “full-time employee” means a full-time employee, as defined in s. 238.399 (1) (ar).

19           **SECTION 5.** 71.07 (3w) (a) 6. of the statutes is amended to read:

1           71.07 (3w) (a) 6. “Zone payroll” means the amount of state payroll that is  
2     attributable to wages paid to full-time employees ~~for services that are performed~~  
3     based in an enterprise zone. “Zone payroll” does not include the amount of wages  
4     paid to any full-time employees that exceeds \$100,000.

5           **SECTION 6.** 71.07 (3w) (bm) 5. of the statutes is repealed.

6           **SECTION 7.** 71.07 (3y) (a) 2. of the statutes is amended to read:

7           71.07 (3y) (a) 2. “Eligible employee” has the meaning given in s. 238.308 (1) (a).

8           **SECTION 8.** 71.07 (3y) (b) 6. of the statutes is created to read:

9           71.07 (3y) (b) 6. For taxable years beginning after December 31, 2023, the  
10     amount of the investment in workforce housing, as defined in s. 234.66 (1) (i), for  
11     employees, not to exceed 15 percent of such investment, and the amount of the  
12     investment in establishing an employee child care program for employees, not to  
13     exceed 15 percent of such investment, as determined by the Wisconsin Economic  
14     Development Corporation.

15          **SECTION 9.** 71.07 (3y) (c) 3. of the statutes is created to read:

16          71.07 (3y) (c) 3. No credit may be allowed under par. (b) 4. for any amount of  
17     personal property investment or real property investment used to claim a credit  
18     under par. (b) 6.

19          **SECTION 10.** 71.28 (3w) (a) 1. of the statutes is renumbered 71.28 (3w) (a) 1. a.  
20     and amended to read:

21          71.28 (3w) (a) 1. a. ~~“Base~~ For taxable years beginning before January 1, 2024,  
22     “base year” means the taxable year beginning during the calendar year prior to the  
23     calendar year in which the enterprise zone in which the claimant is located takes  
24     effect.

25          **SECTION 11.** 71.28 (3w) (a) 1. b. of the statutes is created to read:

1           71.28 (3w) (a) 1. b. For taxable years beginning after December 31, 2023, “base  
2           year” means the 12-month period immediately preceding the date on which the  
3           claimant is certified under s. 238.399 (5).

4           **SECTION 12.** 71.28 (3w) (a) 3. of the statutes is renumbered 71.28 (3w) (a) 3. a.  
5           and amended to read:

6           71.28 (3w) (a) 3. a. ~~“Full-time~~ For taxable years beginning before January 1,  
7           2024, “full-time employee” means a full-time employee, as defined in s. 238.399 (1)  
8           (am) or s. 560.799 (1) (am), 2009 stats.

9           **SECTION 13.** 71.28 (3w) (a) 3. b. of the statutes is created to read:

10          71.28 (3w) (a) 3. b. For taxable years beginning after December 31, 2023,  
11          “full-time employee” means a full-time employee, as defined in s. 238.399 (1) (ar).

12          **SECTION 14.** 71.28 (3w) (a) 6. of the statutes is amended to read:

13          71.28 (3w) (a) 6. “Zone payroll” means the amount of state payroll that is  
14          attributable to wages paid to full-time employees ~~for services that are performed~~  
15          based in an enterprise zone. “Zone payroll” does not include the amount of wages  
16          paid to any full-time employees that exceeds \$100,000.

17          **SECTION 15.** 71.28 (3w) (bm) 5. of the statutes is repealed.

18          **SECTION 16.** 71.28 (3y) (a) 2. of the statutes is amended to read:

19          71.28 (3y) (a) 2. “Eligible employee” has the meaning given in s. 238.308 (1) (a).

20          **SECTION 17.** 71.28 (3y) (b) 6. of the statutes is created to read:

21          71.28 (3y) (b) 6. For taxable years beginning after December 31, 2023, the  
22          amount of the investment in workforce housing, as defined in s. 234.66 (1) (i), for  
23          employees, not to exceed 15 percent of such investment, and the amount of the  
24          investment made in establishing an employee child care program for employees, not

1 to exceed 15 percent of such investment, as determined by the Wisconsin Economic  
2 Development Corporation.

3 **SECTION 18.** 71.28 (3y) (c) 3. of the statutes is created to read:

4 71.28 (3y) (c) 3. No credit may be allowed under par. (b) 4. for any amount of  
5 personal property investment or real property investment used to claim a credit  
6 under par. (b) 6.

7 **SECTION 19.** 71.47 (3w) (a) 1. of the statutes is renumbered 71.47 (3w) (a) 1. a.  
8 and amended to read:

9 71.47 (3w) (a) 1. a. “Base For taxable years beginning before January 1, 2024,  
10 “base year” means the taxable year beginning during the calendar year prior to the  
11 calendar year in which the enterprise zone in which the claimant is located takes  
12 effect.

13 **SECTION 20.** 71.47 (3w) (a) 1. b. of the statutes is created to read:

14 71.47 (3w) (a) 1. b. For taxable years beginning after December 31, 2023, “base  
15 year” means the 12-month period immediately preceding the date on which the  
16 claimant is certified under s. 238.399 (5).

17 **SECTION 21.** 71.47 (3w) (a) 3. of the statutes is renumbered 71.47 (3w) (a) 3. a.  
18 and amended to read:

19 71.47 (3w) (a) 3. a. “Full-time For taxable years beginning before January 1,  
20 2024, “full-time employee” means a full-time employee, as defined in s. 238.399 (1)  
21 (am) or s. 560.799 (1) (am), 2009 stats.

22 **SECTION 22.** 71.47 (3w) (a) 3. b. of the statutes is created to read:

23 71.47 (3w) (a) 3. b. For taxable years beginning after December 31, 2023,  
24 “full-time employee” means a full-time employee, as defined in s. 238.399 (1) (ar).

25 **SECTION 23.** 71.47 (3w) (a) 6. of the statutes is amended to read:

1           71.47 (3w) (a) 6. “Zone payroll” means the amount of state payroll that is  
2           attributable to wages paid to full-time employees ~~for services that are performed~~  
3           based in an enterprise zone. “Zone payroll” does not include the amount of wages  
4           paid to any full-time employees that exceeds \$100,000.

5           **SECTION 24.** 71.47 (3y) (a) 2. of the statutes is amended to read:

6           71.47 (3y) (a) 2. “Eligible employee” has the meaning given in s. 238.308 (1) (a).

7           **SECTION 25.** 71.47 (3y) (b) 6. of the statutes is created to read:

8           71.47 (3y) (b) 6. For taxable years beginning after December 31, 2023, the  
9           amount of the investment in workforce housing, as defined in s. 234.66 (1) (i), for  
10          employees, not to exceed 15 percent of such investment, and the amount of the  
11          investment made in establishing an employee child care program for employees, not  
12          to exceed 15 percent of such investment, as determined by the Wisconsin Economic  
13          Development Corporation.

14          **SECTION 26.** 71.47 (3y) (c) 3. of the statutes is created to read:

15          71.47 (3y) (c) 3. No credit may be allowed under par. (b) 4. for any amount of  
16          personal property investment or real property investment used to claim a credit  
17          under par. (b) 6.

18          **SECTION 27.** 238.30 (2m) (a) of the statutes is amended to read:

19          238.30 (2m) (a) Except as provided in par. (b) and ss. 238.308 (1) (b) and 238.399  
20          (1) (as), “full-time job” means a regular, nonseasonal full-time position in which an  
21          individual, as a condition of employment, is required to work at least 2,080 hours per  
22          year, including paid leave and holidays, and for which the individual receives pay  
23          that is equal to at least 150 percent of the federal minimum wage and benefits that  
24          are not required by federal or state law. “Full-time job” does not include initial  
25          training before an employment position begins.

1           **SECTION 28.** 238.308 (1) of the statutes is renumbered 238.308 (1) (intro) and  
2 amended to read:

3           238.308 (1) ~~DEFINITION~~ DEFINITIONS. (intro.) In this section, “eligible:

4           (a) “Eligible employee” means a person employed in a full-time job by a person  
5 certified under sub. (2).

6           **SECTION 29.** 238.308 (1) (b) of the statutes is created to read:

7           238.308 (1) (b) For taxable years beginning after December 31, 2023, “full-time  
8 job” means a nonseasonal job for which the annual pay is more than the amount  
9 determined by multiplying 2,080 by 150 percent of the federal minimum wage and  
10 for which the person is offered retirement, health, and other benefits.

11           **SECTION 30.** 238.308 (2) (c) of the statutes is created to read:

12           238.308 (2) (c) The corporation shall approve or deny the certification of a  
13 person under par. (a) within 90 days after receiving a person’s application for  
14 certification.

15           **SECTION 31.** 238.308 (3) of the statutes is renumbered 238.308 (3) (a) and  
16 amended to read:

17           238.308 (3) (a) A For taxable years beginning before January 1, 2024, a person  
18 is eligible to receive tax benefits if, in each year for which the person claims tax  
19 benefits under this section, the person increases net employment in this state in the  
20 person’s business above the net employment in this state in the person’s business  
21 during the year before the person was certified under sub. (2), as determined by the  
22 corporation under its policies and procedures.

23           **SECTION 32.** 238.308 (3) (b) of the statutes is created to read:



1           238.308 (3) (b) For taxable years beginning after December 31, 2023, a person  
2 is eligible to receive tax benefits if, in each year for which the person claims tax  
3 benefits under this section, all of the following conditions are met:

4           1. The person makes a capital investment in the person's business, and the  
5 person either creates new full-time jobs or retains existing full-time jobs, as  
6 determined by the corporation under its policies and procedures.

7           2. The person does not decrease net employment in this state in the person's  
8 business below the net employment in this state in the person's business during the  
9 year before the person is certified under sub. (2), as determined by the corporation  
10 under its policies and procedures.

11           **SECTION 33.** 238.308 (4) (a) 6. of the statutes is created to read:

12           238.308 (4) (a) 6. For taxable years beginning after December 31, 2023, an  
13 amount equal to up to 15 percent of the person's investment in workforce housing,  
14 as defined in s. 234.66 (1) (i), for employees and up to 15 percent of the person's  
15 investment in establishing an employee child care program for employees. Such  
16 investments may include only capital expenditures made by the person.

17           **SECTION 34.** 238.308 (4) (b) of the statutes is amended to read:

18           238.308 (4) (b) The corporation may allocate up to \$22,000,000 in tax benefits  
19 under this section each year. Any unused allocation may be carried forward,  
20 including unused allocations from closed awards.

21           **SECTION 35.** 238.308 (5) (a) of the statutes is amended to read:

22           238.308 (5) (a) The corporation may require a person to repay any tax benefits  
23 the person claims for a year in which the person failed to employ an eligible employee  
24 required by an agreement comply with a contract under sub. (2) ~~(b)~~ (a) 2.

25           **SECTION 36.** 238.399 (1) (am) (intro.) of the statutes is created to read:

1           238.399 (1) (am) (intro.) For taxable years beginning before January 1, 2024:

2           **SECTION 37.** 238.399 (1) (ar) of the statutes is created to read:

3           238.399 (1) (ar) For taxable years beginning after December 31, 2023,  
4 “full-time employee” means an individual employed in a full-time job.

5           **SECTION 38.** 238.399 (1) (as) of the statutes is created to read:

6           238.399 (1) (as) For taxable years beginning after December 31, 2023,  
7 “full-time job” means a nonseasonal job for which the annual pay is more than the  
8 amount determined by multiplying 2,080 by 150 percent of the federal minimum  
9 wage and for which the person is offered retirement, health, and other benefits.

10          **SECTION 39.** 238.399 (5) (f) of the statutes is amended to read:

11          238.399 (5) (f) ~~No~~ For taxable years beginning before January 1, 2024, no more  
12 than one financial services technology business that, after completing a competitive  
13 corporate relocation process, retains its corporate headquarters in this state and  
14 retains at least 93 percent of its full-time employees in this state who were identified  
15 as being full-time employees of the business in the base year, as determined by the  
16 corporation.

17          **SECTION 40.** 238.399 (6) (d) of the statutes is amended to read:

18          238.399 (6) (d) The corporation may require a business to repay any tax  
19 benefits the business claims for a year in which the business failed to maintain  
20 ~~employment levels or a significant capital investment in property required by an~~  
21 ~~agreement under sub. (5) (e)~~ comply with an agreement entered into with the  
22 corporation.

23          **SECTION 41. Initial applicability.**

