



## 2023 ASSEMBLY BILL 627

November 8, 2023 - Introduced by Representatives ARMSTRONG, MACCO, BEHNKE, DONOVAN, HURD, MAXEY, MURSAU, O'CONNOR, VANDERMEER and ZIMMERMAN, cosponsored by Senators FEYEN and BALLWEG. Referred to Committee on Ways and Means.

1     **AN ACT** *to renumber and amend* 238.308 (3); *to amend* 71.07 (3y) (b) 4., 71.28  
2           (3y) (b) 4., 71.47 (3y) (b) 4., 238.308 (4) (a) 4. and 238.308 (5) (a); and *to create*  
3           71.07 (3y) (b) 4m., 71.07 (3y) (b) 6., 71.28 (3y) (b) 4m., 71.28 (3y) (b) 6., 71.47 (3y)  
4           (b) 4m., 71.47 (3y) (b) 6., 238.308 (2) (c), 238.308 (3) (b), 238.308 (4) (a) 4m. and  
5           238.308 (4) (a) 6. of the statutes; **relating to:** various changes to the business  
6           development tax credit.

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### *Analysis by the Legislative Reference Bureau*

This bill makes several adjustments to the business development tax credit. The changes apply to taxable years beginning after December 31, 2022.

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.

Currently, a person is eligible for 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 creates new jobs or retains existing jobs and the person makes a capital investment in the person's business; and 2) the person does not decrease net employment in this state

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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.

Also, under current law, a person may claim tax benefits of up to 3 percent of the person's personal property investment and up to 5 percent of the person's real property investment in a capital investment project, if the project involves a total capital investment of at least \$1,000,000 or, if less than \$1,000,000, the project involves a capital investment that is equal to at least \$10,000 per eligible employee employed on the project. The bill changes those limits to up to 10 percent of the person's personal property investment and up to 10 percent of the person's real property investment.

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.

For further information see the state 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.** 71.07 (3y) (b) 4. of the statutes is amended to read:

2           71.07 **(3y)** (b) 4. The For taxable years beginning before January 1, 2023, the  
3 amount of the personal property investment, not to exceed 3 percent of such  
4 investment, and the amount of the real property investment, not to exceed 5 percent  
5 of such investment, in a capital investment project that satisfies s. 238.308 (4) (a) 4.,  
6 as determined by the Wisconsin Economic Development Corporation.

7           **SECTION 2.** 71.07 (3y) (b) 4m. of the statutes is created to read:

8           71.07 **(3y)** (b) 4m. For taxable years beginning after December 31, 2022, the  
9 amount of the personal property investment, not to exceed 10 percent of such  
10 investment, and the amount of real property investment, not to exceed 10 percent of  
11 such investment, in a capital investment project that satisfies s. 238.308 (4) (a) 4m.,  
12 as determined by the Wisconsin Economic Development Corporation.

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

2           71.07 **(3y)** (b) 6. For taxable years beginning after December 31, 2022, the  
3 amount of the investment in workforce housing, as defined in s. 234.66 (1) (i), for  
4 eligible employees, not to exceed 15 percent of such investment, and the amount of  
5 the investment in establishing an employee child care program for eligible  
6 employees, not to exceed 15 percent of such investment, as determined by the  
7 Wisconsin Economic Development Corporation.

8           **SECTION 4.** 71.28 (3y) (b) 4. of the statutes is amended to read:

9           71.28 **(3y)** (b) 4. ~~The~~ For taxable years beginning before January 1, 2023, the  
10 amount of the personal property investment, not to exceed 3 percent of such  
11 investment, and the amount of the real property investment, not to exceed 5 percent  
12 of such investment, in a capital investment project that satisfies s. 238.308 (4) (a) 4.,  
13 as determined by the Wisconsin Economic Development Corporation.

14           **SECTION 5.** 71.28 (3y) (b) 4m. of the statutes is created to read:

15           71.28 **(3y)** (b) 4m. For taxable years beginning after December 31, 2022, the  
16 amount of the personal property investment, not to exceed 10 percent of such  
17 investment, and the amount of the real property investment, not to exceed 10 percent  
18 of such investment, in a capital investment project that satisfies s. 238.308 (4) (a)  
19 4m., as determined by the Wisconsin Economic Development Corporation.

20           **SECTION 6.** 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, 2022, the  
22 amount of the investment in workforce housing, as defined in s. 234.66 (1) (i), for  
23 eligible employees, not to exceed 15 percent of such investment, and the amount of  
24 the investment made in establishing an employee child care program for eligible

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1 employees, not to exceed 15 percent of such investment, as determined by the  
2 Wisconsin Economic Development Corporation.

3 **SECTION 7.** 71.47 (3y) (b) 4. of the statutes is amended to read:

4 71.47 (3y) (b) 4. The For taxable years beginning before January 1, 2023, the  
5 amount of the personal property investment, not to exceed 3 percent of such  
6 investment, and the amount of the real property investment, not to exceed 5 percent  
7 of such investment, in a capital investment project that satisfies s. 238.308 (4) (a) 4.,  
8 as determined by the Wisconsin Economic Development Corporation.

9 **SECTION 8.** 71.47 (3y) (b) 4m. of the statutes is created to read:

10 71.47 (3y) (b) 4m. For taxable years beginning after December 31, 2022, the  
11 amount of the personal property investment, not to exceed 10 percent of such  
12 investment, and the amount of the real property investment, not to exceed 10 percent  
13 of such investment, in a capital investment project that satisfies s. 238.308 (4) (a)  
14 4m., as determined by the Wisconsin Economic Development Corporation.

15 **SECTION 9.** 71.47 (3y) (b) 6. of the statutes is created to read:

16 71.47 (3y) (b) 6. For taxable years beginning after December 31, 2022, the  
17 amount of the investment in workforce housing, as defined in s. 234.66 (1) (i), for  
18 eligible employees, not to exceed 15 percent of such investment, and the amount of  
19 the investment made in establishing an employee child care program for eligible  
20 employees, not to exceed 15 percent of such investment, as determined by the  
21 Wisconsin Economic Development Corporation.

22 **SECTION 10.** 238.308 (2) (c) of the statutes is created to read:

23 238.308 (2) (c) The corporation shall approve or deny the certification of a  
24 person under par. (a) within 90 days after receiving a person's application for  
25 certification.

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1           **SECTION 11.** 238.308 (3) of the statutes is renumbered 238.308 (3) (a) and  
2 amended to read:

3           238.308 (3) (a) A For taxable years beginning before January 1, 2023, a person  
4 is eligible to receive tax benefits if, in each year for which the person claims tax  
5 benefits under this section, the person increases net employment in this state in the  
6 person's business above the net employment in this state in the person's business  
7 during the year before the person was certified under sub. (2), as determined by the  
8 corporation under its policies and procedures.

9           **SECTION 12.** 238.308 (3) (b) of the statutes is created to read:

10           238.308 (3) (b) For taxable years beginning after December 31, 2022, a person  
11 is eligible to receive tax benefits if, in each year for which the person claims tax  
12 benefits under this section, all of the following conditions are met:

13           1. The person creates new jobs or retains existing jobs and the person makes  
14 a capital investment in this state in the person's business, as determined by the  
15 corporation under its policies and procedures.

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

20           **SECTION 13.** 238.308 (4) (a) 4. of the statutes is amended to read:

21           238.308 (4) (a) 4. An For taxable years beginning before January 1, 2023, an  
22 amount equal to up to 3 percent of the person's personal property investment and up  
23 to 5 percent of the person's real property investment in a capital investment project,  
24 if the project involves a total capital investment of at least \$1,000,000 or, if less than

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1 \$1,000,000, the project involves a capital investment that is equal to at least \$10,000  
2 per eligible employee employed on the project.

3 **SECTION 14.** 238.308 (4) (a) 4m. of the statutes is created to read:

4 238.308 (4) (a) 4m. For taxable years beginning after December 31, 2022, an  
5 amount equal to up to 10 percent of the person's personal property investment and  
6 up to 10 percent of the person's real property investment in a capital investment  
7 project, if the project involves a total capital investment of at least \$1,000,000 or, if  
8 less than \$1,000,000, the project involves a capital investment that is equal to at  
9 least \$10,000 per eligible employee employed on the project.

10 **SECTION 15.** 238.308 (4) (a) 6. of the statutes is created to read:

11 238.308 (4) (a) 6. For taxable years beginning after December 31, 2022, an  
12 amount equal to up to 15 percent of the person's investment in workforce housing,  
13 as defined in s. 234.66 (1) (i), for eligible employees and up to 15 percent of the  
14 person's investment in establishing an employee child care program for eligible  
15 employees.

16 **SECTION 16.** 238.308 (5) (a) of the statutes is amended to read:

17 238.308 (5) (a) The corporation may require a person to repay any tax benefits  
18 the person claims for a year in which the person failed to employ an eligible employee  
19 required by comply with an agreement under sub. (2) (b).

20 (END)