

2001 DRAFTING REQUEST

Bill

Received: 10/04/2000

Received By: jkreye

Wantcd: Soon

Identical to LRB:

For: Administration-Budget

By/Representing: Walker

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Alt. Drafters:

Subject: Tax Credits - miscellaneous
Tax - corp. inc. and fran.

Extra Copies: PJK

Pre Topic:

DOA:.....Walker -

Topic:

Definition of target group members" related to development zones tax credits

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	jkreye 10/10/2000	gilfokm 10/10/2000	martykr 10/11/2000	_____	lrb_docadmin 10/11/2000		State

FE Sent For:

<END>

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COMMERCE

DOA:.....Walker -

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S

Definition of "target group members" related to development zone tax credits

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1?	jkreye	1-10/10Kmg	jm 10/11	jm 10/11			

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<END>

Current definitions of types of target group members in Chapter 71 track the federal definitions in section 51(d) of the Internal Revenue Code, but also make numerous modifications. Defining all the terms in the Wisconsin Statutes would make them less confusing for users of the CDZ and EDZ programs, who frequently call for assistance in determining whether a person is a target group member. "Target group member", spending authority defined in ss. 71.07 (2dx) (a) (5), 71.28 (1dx) (a) (5), and s. 71.47 (1dx) (a) (5) would consist of the following:

1. Vocational rehabilitation referrals;
2. Economically disadvantaged youths;
3. Economically disadvantaged veterans;
4. Supplemental Security Income (SSI) recipients;
5. General Assistance recipients
6. Economically disadvantaged youths participating in a cooperative education program;
7. Economically disadvantaged ex-convicts;
8. Qualified summer youth employees; *as defined in 26 USC 51(7)*
- ~~9. Dislocated workers;~~
- ~~10. Workers unemployed as a result of a plant closing or layoff;~~
- ~~11. Wisconsin Works - W2 participants;~~
- ~~12. A resident of a federally designated enterprise community.~~
13. Food stamp recipients

*The name
[#6 is a subset of #2]*



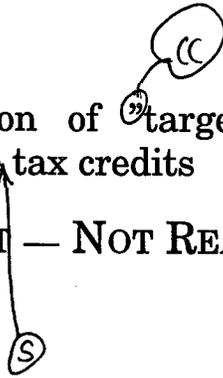
State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-06697

JK: *mg*
RMR

DOA:.....Walker - Definition of "target group members" related to development zone tax credits

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION



→ *Exp Request Sheet*

in 10-10-00

SOON

head' COMMERCE AND ECONOMIC DEVELOPMENT
sub ECONOMIC DEVELOPMENT
AN ACT *DON'T* GEN. CAT relating to: the budget.

1

Analysis by the Legislative Reference Bureau

The department of commerce administers three types of development zones programs: 1) the development zone program; 2) the development opportunity zone program; and 3) the enterprise development zone program. Generally, after the department designates an area as one of the three types of development zones, a business that conducts or intends to conduct economic activity in the designated zone is or may be certified by the department as eligible for certain tax credits, called development zones credits, based on the creation or retention of jobs and on expenses incurred to remediate environmental problems.

Under current law, a business that is eligible for development zones tax credits may claim a credit based on the number of jobs that the business creates for members of target groups who are, generally, individuals that are considered disadvantaged in some way under the Internal Revenue Code. Under this bill, rather than refer to the Internal Revenue Code, "member of a targeted group" is defined to include ~~the following individuals~~: 1) ~~a person who is~~ a vocational rehabilitation referral; 2) an economically disadvantaged youth; 3) an economically disadvantaged veteran; 4) a supplemental ~~and~~ security income recipient; 5) a general assistance recipient; 6) an economically disadvantaged ex-convict; 7) a qualified summer youth employee; or 8) a food stamp recipient.

a person who is

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

1 SECTION 1. 71.07 (2dx) (a) 5. of the statutes is amended to read:

2 71.07 (2dx) (a) 5. "Member of a targeted group" means [✓]a person under sub. (2dj)
 3 ~~(am) 1.~~, a person who resides in an empowerment zone, or an enterprise community,
 4 that the U.S. government designates, a person who is employed in an unsubsidized
 5 job but meets the eligibility requirements under s. 49.145 (2) and (3) for a Wisconsin
 6 works employment position, a person who is employed in a trial job, as defined in s.
 7 49.141 (1) (n), ~~or~~ a person who is eligible for child care assistance under s. 49.155, a
 8 person who is a vocational rehabilitation referral, an economically disadvantaged
 9 youth, an economically disadvantaged veteran, a supplemental ~~social~~ security
 10 income recipient, a general assistance recipient, an economically disadvantaged
 11 ex-convict, a qualified summer youth employee, as defined in 26 USC 51^(d)(7), or a food
 12 stamp recipient; if the person has been certified in the manner under sub. (2dj) (am)
 13 3. by a designated local agency, as defined in sub. (2dj) (am) 2.

14 SECTION 2. 71.28 (1dx) (a) 5. of the statutes is amended to read:

15 71.28 (1dx) (a) 5. "Member of a targeted group" means [✓]a person under sub. (2dj)
 16 ~~(am) 1.~~, a person who resides in an empowerment zone, or an enterprise community,
 17 that the U.S. government designates, a person who is employed in an unsubsidized
 18 job but meets the eligibility requirements under s. 49.145 (2) and (3) for a Wisconsin
 19 works employment position, a person who is employed in a trial job, as defined in s.
 20 49.141 (1) (n), [↓]~~or~~ a person who is eligible for child care assistance under s. 49.155, a
 21 person who is a vocational rehabilitation referral, an economically disadvantaged

1 youth, an economically disadvantaged veteran, a supplemental ~~social~~ security
 2 income recipient, a general assistance recipient, an economically disadvantaged
 3 ex-convict, a qualified summer youth employee, as defined in 26 USC 51^(d)(7), or a food
 4 stamp recipient; if the person has been certified in the manner under sub. (1dj) (am)
 5 3. by a designated local agency, as defined in sub. (1dj) (am) 2.

6 **SECTION 3.** 71.47 (1dx) (a) 5. of the statutes is amended to read:

7 71.47 (1dx) (a) 5. "Member of a targeted group" means [✓]a person under sub. (2dj)
 8 (~~am~~) 1., a person who resides in an empowerment zone, or an enterprise community,
 9 that the U.S. government designates, a person who is employed in an unsubsidized
 10 job but meets the eligibility requirements under s. 49.145 (2) and (3) for a Wisconsin
 11 works employment position, a person who is employed in a trial job, as defined in s.
 12 49.141 (1) (n), [↓]or a person who is eligible for child care assistance under s. 49.155, a
 13 person who is a vocational rehabilitation referral, an economically disadvantaged
 14 youth, an economically disadvantaged veteran, a supplemental ~~social~~ security
 15 income recipient, a general assistance recipient, an economically disadvantaged
 16 ex-convict, a qualified summer youth employee, as defined in 26 USC 51^(d)(7), or a food
 17 stamp recipient; if the person has been certified in the manner under sub. (1dj) (am)
 18 3. by a designated local agency, as defined in sub. (1dj) (am) 2.

19 **SECTION 9344. Initial applicability; revenue.**

20 (1) MEMBERS OF A TARGETED GROUP. The treatment of sections 71.07 (2dx) (a) 5.,
 21 71.28 (1dx) (a) 5.,[✓] and 71.47 (1dx) (a) 5.[✓] of the statutes first applies to taxable years
 22 beginning on January 1 of the year in which this subsection takes effect, except that
 23 if this subsection takes effect after July 31 the treatment of sections 71.07 (2dx) (a)
 24 5.,[✓] 71.28 (1dx) (a) 5.,[✓] and 71.47 (1dx) (a) 5.[✓] of the statutes first applies to taxable years

1 beginning on January 1 of the year following the year in which this subsection takes
2 effect.

3 (END)



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-0669/1
JK:kmg:km

DOA:.....Walker - Definition of "target group members" related to
development zones tax credits

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

COMMERCE AND ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT

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disadvantaged ex-convict; 7) a qualified summer youth employee; or 8) a food stamp recipient.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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2 71.07 (2dx) (a) 5. “Member of a targeted group” means ~~a person under sub. (2dj)~~
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4 that the U.S. government designates, a person who is employed in an unsubsidized
5 job but meets the eligibility requirements under s. 49.145 (2) and (3) for a Wisconsin
6 works employment position, a person who is employed in a trial job, as defined in s.
7 49.141 (1) (n), ~~or~~ a person who is eligible for child care assistance under s. 49.155, a
8 person who is a vocational rehabilitation referral, an economically disadvantaged
9 youth, an economically disadvantaged veteran, a supplemental security income
10 recipient, a general assistance recipient, an economically disadvantaged ex-convict,
11 a qualified summer youth employee, as defined in 26 USC 51 (d) (7), or a food stamp
12 recipient; if the person has been certified in the manner under sub. (2dj) (am) 3. by
13 a designated local agency, as defined in sub. (2dj) (am) 2.

14 **SECTION 2.** 71.28 (1dx) (a) 5. of the statutes is amended to read:

15 71.28 (1dx) (a) 5. “Member of a targeted group” means ~~a person under sub. (2dj)~~
16 ~~(am) 1.,~~ a person who resides in an empowerment zone, or an enterprise community,
17 that the U.S. government designates, a person who is employed in an unsubsidized
18 job but meets the eligibility requirements under s. 49.145 (2) and (3) for a Wisconsin
19 works employment position, a person who is employed in a trial job, as defined in s.
20 49.141 (1) (n), ~~or~~ a person who is eligible for child care assistance under s. 49.155, a

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2 youth, an economically disadvantaged veteran, a supplemental security income
3 recipient, a general assistance recipient, an economically disadvantaged ex-convict,
4 a qualified summer youth employee, as defined in 26 USC 51 (d) (7), or a food stamp
5 recipient; if the person has been certified in the manner under sub. (1dj) (am) 3. by
6 a designated local agency, as defined in sub. (1dj) (am) 2.

7 **SECTION 3.** 71.47 (1dx) (a) 5. of the statutes is amended to read:

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9 ~~(am) 1.,~~ a person who resides in an empowerment zone, or an enterprise community,
10 that the U.S. government designates, a person who is employed in an unsubsidized
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22 71.28 (1dx) (a) 5., and 71.47 (1dx) (a) 5. of the statutes first applies to taxable years
23 beginning on January 1 of the year in which this subsection takes effect, except that
24 if this subsection takes effect after July 31 the treatment of sections 71.07 (2dx) (a)
25 5., 71.28 (1dx) (a) 5., and 71.47 (1dx) (a) 5. of the statutes first applies to taxable years

1 beginning on January 1 of the year following the year in which this subsection takes
2 effect.

3 (END)