

2001 DRAFTING REQUEST

Senate Amendment (SA-SSA1-SB55)

Received: 06/15/2001

Received By: jkreye

Wanted: As time permits

Identical to LRB:

For: Senate Democratic Caucus

By/Representing: Keckhaver

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Addl. Drafters:

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

Extra Copies:

Submit via email: NO

Requester's email:

Pre Topic:

SDC:.....Keckhaver - CN3032/9513,

Topic:

Artistic endowment foundation 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 06/17/2001	hhagen 06/17/2001	pgreensl 06/18/2001	_____	lrb_docadmin 06/18/2001		
	jkreye 06/18/2001			_____			
/2	jkreye 06/19/2001	wjackson 06/19/2001		_____	lrb_docadmin 06/19/2001		

Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

wjackson
06/19/2001

/3

rschluet
06/19/2001

lrb_docadmin
06/19/2001

FE Sent For:

<END>

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Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

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/1	jkreye 06/17/2001	hhagen 06/17/2001 12 hh 6/18/01	pgreensl 06/18/2001 12 hh 6/18/01	_____	lrb_docadmin 06/18/2001		

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Senate Amendment (SA-SSA1-SB55)

Received: 06/15/2001

Received By: jkreyc

Wanted: As time permits

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By/Representing: Keckhaver

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Drafter: jkreyc

May Contact:

Addl. Drafters:

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Pre Topic:

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See Attached

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1?	jkreyc	11 kmh 6/17/01	6/18 pg	6/18 pg/dmh			

FE Sent For:

<END>

SENATE BUDGET AMENDMENT

Agency name: General Fund Taxes – Individual Income Tax
Artistic Endowment Foundation

CN3032

Related Fiscal Bureau papers and motions: Motion #1644

Description: Provide an individual income tax credit for 25% of contributions to the Artistic Endowment Foundation. The maximum credit that could be claimed in a taxable year would be \$50. No new credits would be accepted once the revenues in the artistic endowment fund equals or exceeds \$50.15 million.

Fiscal effect:

Attachments: Motion #1644

GENERAL FUND TAXES - INDIVIDUAL INCOME TAX

Artistic Endowment Foundation Tax Credits – 25%
(Amendment to Motion #1643)

Motion:

Move to amend Motion #1643, Item #15. Eliminate license plates as a funding mechanism for the foundation. Instead, provide, for taxable years beginning after December 31, 2002, a nonrefundable individual income tax credit for 25% of amounts contributed to the artistic endowment fund. Specify that the maximum credit that could be claimed in a taxable year would be \$50 (\$100 for married couples filing joint returns).

Provide that the amount of the individual income tax credit for contributions to the artistic endowment fund would not be includable as an eligible expense under the state's itemized deduction credit. Specify that the credit would not be available to nonresidents and, for part-year residents, would be based on the proportion of total income earned in Wisconsin [Wisconsin adjusted gross income (AGI) as a percent of total federal AGI].

Provide, for taxable years beginning after December 31, 2002, a tax credit under the corporate income and franchise tax, for 25% of amounts contributed to the artistic endowment fund, up to a maximum of \$500.

Require DOR to include a statement on the relevant tax forms that a taxpayer could reduce a refund or increase a liability payment and deposit the proceeds in the artistic endowment fund. Specify that no new credits could be claimed for taxable years beginning after a year in which revenues in the artistic endowment fund equaled or exceeded \$50.15 million.

Note:

The motion would amend Motion #1643, Item #15, to eliminate license plates as a funding mechanism for the Artistic Endowment Foundation. Instead, the motion would provide a nonrefundable individual income tax credit for 25% of certain amounts contributed to the artistic endowment fund by residents of the state. The maximum credit that could be claimed in a taxable year would be \$50 (\$100 for married couples filing joint returns). The credit would be available to

part-year residents in proportion to the Wisconsin share of total AGI. The credit would not be available to nonresidents.

This motion would also provide, for tax years beginning after December 31, 2002, a tax credit under the corporate income and franchise tax, for 25% of amounts contributed to the artistic endowment fund, up to a maximum contribution of \$500.

DOR would be required to include a statement on the relevant tax forms that a taxpayer could reduce a refund or increase a liability payment and have the proceeds deposited in the artistic endowment fund. No new credits could be claimed for a taxable year beginning after a year in which revenues in the artistic endowment fund equaled or exceeded \$50.15 million.

As the tax credit would first apply to tax years beginning after December 31, 2002, there would be no fiscal effect in the 2001-03 biennium. Based on simulations with the 1999 Wisconsin tax sample and information on current charitable contributions to the arts, culture and humanities, it is estimated that the proposed artistic endowment fund tax credit tax would reduce individual and corporate income and franchise tax collections by approximately \$4.8 million per year (in 2002-03 dollars) for the duration of the credit.

The motion would also provide that the Foundation could not distribute funds to the Arts Board in any fiscal year in which the Foundation determines that the amount of GPR appropriated to the Arts Board programs by the Legislature is less than the amount appropriated for those programs in the previous fiscal year.

GENERAL FUND TAXES

Arts Endowment (JFC motion #1644)

C109513

JK

GENERAL FUND TAXES - INDIVIDUAL INCOME TAX

Artistic Endowment Foundation Tax Credits -- 25%
(Amendment to Motion #1643)

Motion:

Move to amend Motion #1643, Item #15. Eliminate license plates as a funding mechanism for the foundation. Instead, provide, for taxable years beginning after December 31, 2002, a nonrefundable individual income tax credit for 25% of amounts contributed to the artistic endowment fund. Specify that the maximum credit that could be claimed in a taxable year would be \$50 (\$100 for married couples filing joint returns).

Provide that the amount of the individual income tax credit for contributions to the artistic endowment fund would not be includable as an eligible expense under the state's itemized deduction credit. Specify that the credit would not be available to nonresidents and, for part-year residents, would be based on the proportion of total income earned in Wisconsin [Wisconsin adjusted gross income (AGI) as a percent of total federal AGI].

Provide, for taxable years beginning after December 31, 2002, a tax credit under the corporate income and franchise tax, for 25% of amounts contributed to the artistic endowment fund, up to a maximum of \$500.

Require DOR to include a statement on the relevant tax forms that a taxpayer could reduce a refund or increase a liability payment and deposit the proceeds in the artistic endowment fund. Specify that no new credits could be claimed for taxable years beginning after a year in which revenues in the artistic endowment fund equaled or exceeded \$50.15-million.

Note:

The motion would amend Motion #1643, Item #15, to eliminate license plates as a funding mechanism for the Artistic Endowment Foundation. Instead, the motion would provide a nonrefundable individual income tax credit for 25% of certain amounts contributed to the artistic endowment fund by residents of the state. The maximum credit that could be claimed in a taxable year would be \$50 (\$100 for married couples filing joint returns). The credit would be available to

part-year residents in proportion to the Wisconsin share of total AGI. The credit would not be available to nonresidents .

This motion would also provide, for tax years beginning after December 31, 2002, a tax credit under the corporate income and franchise tax, for 25% of amounts contributed to the artistic endowment fund, up to a maximum contribution of \$500.

DOR would be required to include a statement on the relevant tax forms that a taxpayer could reduce a refund or increase a liability payment and have the proceeds deposited in the artistic endowment fund. No new credits could be claimed for a taxable year beginning after a year in which revenues in the artistic endowment fund equaled or exceeded \$50.15 million.

As the tax credit would first apply to tax years beginning after December 31, 2002, there would be no fiscal effect in the 2001-03 biennium. Based on simulations with the 1999 Wisconsin tax sample and information on current charitable contributions to the arts, culture and humanities, it is estimated that the proposed artistic endowment fund tax credit would reduce individual and corporate income and franchise tax collections by approximately \$4.8 million per year (in 2002-03 dollars) for the duration of the credit.

The motion would also provide that the Foundation could not distribute funds to the Arts Board in any fiscal year in which the Foundation determines that the amount of GPR appropriated to the Arts Board programs by the Legislature is less than the amount appropriated for those programs in the previous fiscal year.



State Senator
Chuck Chvala
SENATE MAJORITY LEADER

June 7, 2001

Senator Kevin Shibilski
Room 10 South
State Capitol
Madison, WI 53708

Dear Kevin:

I understand your great interest in the Arts Endowment Tax Credit. I can assure you that your Tax Credit portion of the proposal will be included in the Senate's version of SB 55. Your leadership on this issue is much appreciated. I thank you for your exemplary service and hard work on the Joint Committee on Finance.

Sincerely,


CHUCK CHVALA
Senate Majority Leader

GENERAL FUND TAXES

Creation of an Artistic Endowment Foundation and Tax Credits -- 25% Credit

Motion:

Move to create an Artistic Endowment Foundation (Foundation). The Foundation would be a nonprofit corporation organized under ch. 181 so that contributions to it are deductible from adjusted gross income under section 170 of the Internal Revenue Code. Under the Foundation, create the following new appropriations: create a continuing appropriation for education and marketing of the artistic endowment fund, create a new annual segregated appropriation from the artistic endowment fund for general program operations of the foundation; and a continuing appropriation for all moneys received as interest and earning of the artistic endowment fund less the amounts appropriated for general program operations and support of arts programs.

Create a segregated, nonlapsible trust fund designated as the artistic endowment fund to consist of all gifts, grants, bequests or other contributions made to the fund and all gifts, grants, bequests or other contributions made to the Foundation.

Create a new appropriation under the Arts Board for funds received from the Wisconsin Artistic Endowment Foundation for operating support of arts organizations and for grants under the Wisconsin regranting program and permit the Arts Board to award grants under the regranting program to local arts agencies and municipalities from funds in the new appropriation.

Establish a 14-member board of directors for the Foundation, eight of whom are appointed by the Governor. The other members are the chairperson of the Arts Board or the chairperson's designee, the executive secretary of the Arts Board as a nonvoting member, and 4 legislatures representing the majority and minority parties of each house of the legislature. The members appointed by the Governor would serve staggered 7-year terms, and at least one of them would need to be knowledgeable in marketing and fund raising for the arts. The Board would annually elect a chairperson and may elect other officers, as they consider appropriate. Seven voting members would constitute a quorum, and the Board could take action upon a vote of a majority of the voting members present, unless the bylaws of the Foundation were to require a larger number. A nonstatutory provision would require the initial Board appointments by the Governor would be limited as follows: two of the Board members appointed for 2-year terms; 2 members appointed for 4-year terms; and 2 members appointed for 6-year terms.

Give the Board the powers of the Foundation, and all of the powers necessary and convenient to carry out its duties. The general powers and duties would include the following: make, amend, and repeal bylaws for the conduct of its affairs; adopt a seal and alter that seal; sue and be sued; maintain an office; solicit and accept donations of money, property, and art objects; execute contracts and other instruments; employ legal, financial, technical or other experts and any other necessary employees and fix their qualifications, duties and compensation; establish arts programs with the advice of the Arts Board and statewide arts organizations; and convert any noncash gift, grant, bequest or other contribution to the Foundation to cash.

Establish responsibilities for the Foundation related to distribution and receipt of grants and gifts. The Foundation would need to ensure to the greatest extent possible the equitable distribution of funds and other support among all of the following: the various geographic regions of the state; urban, suburban, and rural areas of the state; and the various ethnic, racial and cultural groups of the state. The Foundation would need to appoint a licensed appraiser to evaluate each donated art object and establish the current value, appreciation and degree of risk in holding or selling the art object, adopt bylaws for accepting restricted donations. The Foundation would be required to annually submit to the Governor and presiding officer of each house of the Legislature an audited financial statement of the operations of the Foundation, prepared in accordance with generally accepted accounting principles and biennially review the Foundation's priorities for expenditures of the fund and report those priorities to the presiding officer of each house of the Legislature.

Give the Foundation the authority to distribute money appropriated to them to the Arts Board for programs that provide operating support to arts organizations and for the Wisconsin regranting program. In addition, the Foundation would be able to distribute moneys appropriated to them to an arts program established with the advice of the Arts Board and statewide arts organizations if, to the extent possible, it uses the Arts Board mechanisms and staff for administering and distributing the moneys. Of the total amount distributed by the Foundation in any fiscal year that constitutes earnings on unrestricted donations, the Foundation would distribute at least 50% to the Arts Board. The Foundation could not distribute moneys to the Arts Board in any fiscal year in which the Foundation determines that the amount of general purpose revenue appropriated to the Arts Board is less than the amount appropriated in the previous fiscal year.

Permit the dissolution of the Foundation only if the Legislature enacts a law ordering dissolution.

Provide, for taxable years beginning after December 31, 2002, a nonrefundable individual income tax credit for 25% of amounts contributed to the artistic endowment fund. Specify that the maximum credit that could be claimed in a taxable year would be \$50 (\$100 for married couples filing joint returns).

Provide that the amount of the individual income tax credit for contributions to the artistic endowment fund would not be includable as an eligible expense under the state's itemized deduction credit. Specify that the credit would not be available to nonresidents and, for part-year residents, would be based on the proportion of total income earned in Wisconsin [Wisconsin

adjusted gross income (AGI) as a percent of total federal AGI].

Provide, for taxable years beginning after December 31, 2002, a tax credit under the corporate income and franchise tax, for 25% of amounts contributed to the artistic endowment fund, up to a maximum of \$500.

Require DOR to include a statement on the relevant tax forms that a taxpayer could reduce a refund or increase a liability payment and deposit the proceeds in the artistic endowment fund. Specify that no new credits could be claimed for taxable years beginning after a year in which revenues in the artistic endowment fund equaled or exceeded \$50.15 million.

Note:

This motion would create the Artistic Endowment Foundation and fund. The Foundation would have a 14-member board of directors, eight of whom are appointed by the Governor.

In addition, the motion would provide a nonrefundable individual income tax credit for ^{25%}~~50%~~ of certain amounts contributed to the artistic endowment fund by residents of the state. The maximum credit that could be claimed in a taxable year would be \$50 (\$100 for married couples filing joint returns). The credit would be available to part-year residents in proportion to the Wisconsin share of total AGI. The credit would not be available to nonresidents.

This motion would also provide, for tax years beginning after December 31, 2002, a tax credit under the corporate income and franchise tax, for 25% of amounts contributed to the artistic endowment fund, up to a maximum contribution of \$500.

DOR would be required to include a statement on the relevant tax forms that a taxpayer could reduce a refund or increase a liability payment and have the proceeds deposited in the artistic endowment fund. No new credits could be claimed for a taxable year beginning after a year in which revenues in the artistic endowment fund equaled or exceeded \$50.15 million.

As the tax credit would first apply to tax years beginning after December 31, 2002, there would be no fiscal effect in the 2001-03 biennium. Based on simulations with the 1999 Wisconsin tax sample and information on current charitable contributions to the arts, culture and humanities, it is estimated that the proposed artistic endowment fund tax credit tax would reduce individual and corporate income and franchise tax collections by approximately \$4.8 million per year (in 2002-03 dollars) for the duration of the credit.

The earnings on the revenues placed in the endowment fund would be used to provide funding to the Arts Board for programs that provide operating support to arts organizations and regranting programs. At least 50% of the unrestricted earnings, if distributed by the endowment fund, must be used for this purpose. The remaining 50% of unrestricted earnings would be distributed to programs established and reviewed biennially by the Foundation with the advice of the Arts Board and statewide arts organizations.

The motion would also provide that the Foundation could not distribute funds to the Arts Board in any fiscal year in which the Foundation determines that the amount of GPR appropriated to the Arts Board programs by the Legislature is less than the amount appropriated for those programs in the previous fiscal year.



AMR

SDC:.....Keckhaver – CN3032/9513, Artistic endowment foundation tax credits

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS SENATE AMENDMENT

TO SENATE SUBSTITUTE AMENDMENT 1,

TO 2001 SENATE BILL 55

w 6-17-01

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 734, line 22: after that line insert: **Insert A**

3 2. Page 737, line 24: after that line insert: **Insert B**

4 3. Page 741, line 22: delete "and (3s)" and substitute "(3s), and (9t)".

5 4. Page 768, line 24: delete "and (5)" and substitute "(5), and (9t)".

6 5. Page 798, line 22: after that line insert: **Insert C**

7 6. Page 799, line 6: delete "and (3g)" and substitute "(3g), and (9t)".

8 7. Page 831, line 18: after that line insert: **Insert D**

1
2

8. Page 849, line 13: delete ~~("and (3s)"~~ and substitute ~~and, (3s), and (9t)"~~.

→ " , and (3g), and (3s)"
→ and substitute " , (3g), (3s), and (9t)"

SENATE BILL 164

INSERT A

INSERT B

2147d
SECTION 8. 71.07 (5) (a) 10. of the statutes is created to read:
71.07 (5) (a) 10. Any amount claimed as a credit under sub. (9t).

INSERT B

SECTION 9. 71.07 (9t) of the statutes is created to read:
2150a
71.07 (9t) ARTISTIC ENDOWMENT CREDIT. (a) *Definition.* In this subsection, "claimant" means a person who files a claim under this subsection.

7

9

10

(b) *Filing claims.* For taxable years beginning after December 31, 2002, subject to the limitations provided in this subsection ~~and s. 71.03 (35m)~~, a claimant may claim as a credit against the tax imposed under s. 71.02, up to the amount of those taxes, an amount equal to ^{25% of} the amount contributed to the artistic endowment fund under s. ~~25.09~~ ^{25.78}, not to exceed \$50 in a taxable year for a claimant who claims the credit as an individual or claims the credit as a married person who files a separate income tax return, not to exceed \$100 in a taxable year for a claimant and a claimant's spouse who file a joint return, and not to exceed \$500 in a taxable year for a claimant who claims the credit as a sole proprietor, a partner, a member of a limited liability company, or a shareholder in a tax-option corporation.

(c) *Limitations and conditions.* 1. Nonresidents of this state are not eligible for the credit under this subsection.

2. For a claimant who is a part-year resident of this state and who is a single person or a married person filing a separate return, multiply the credit for which the claimant is eligible under par. (b) by a fraction, the numerator of which is the individual's Wisconsin adjusted gross income and the denominator of which is the individual's federal adjusted gross income. If a claimant is married and files a joint return, and if the claimant or the claimant's spouse, or both, are nonresidents or part-year residents of this state, multiply the credit for which the claimant is eligible under par. (b) by a fraction, the numerator of which is the couple's joint Wisconsin

SENATE BILL 164

1 adjusted gross income and the denominator of which is the couple's joint federal
2 adjusted gross income.

3 3. No new claim may be filed under this subsection for a taxable year that
4 begins after December 31 of the year in which the department determines that the
5 total amount of revenues received by the endowment fund equals \$50,150,000.

6 4. No credit may be allowed under this subsection unless it is claimed within
7 the time period under s. 71.75 (2).

8 5. Partnerships, limited liability companies, and tax-option corporations may
9 not claim the credit under this subsection, but the eligibility for, and the amount of,
10 the credit are based on their ~~economic activity~~ ^{contributions under par. (b)}. A partnership, limited liability
11 company, or tax-option corporation shall compute the amount of credit that each of
12 its partners, members, or shareholders may claim and shall provide that information
13 to each of them. Partners, members of limited liability companies, and shareholders
14 of tax-option corporations may claim the credit in proportion to their ownership
15 interest.

16 (d) *Administration.* Section 71.28 (4) (e) and (g), as it applies to the credit under
17 s. 71.28 (4), applies to the credit under this subsection.

18 SECTION 10. 71.10 (4) (dg) of the statutes is created to read:

19 71.10 (4) (dg) The artistic endowment credit under s. 71.07 (9t). "

END OF
INSERT B

20 ~~SECTION 11. 71.21 (4) of the statutes is amended to read:~~

21 ~~71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),~~
22 ~~(2dj), (2dl), (2ds), (2dx) and, (3s), and (9t) and passed through to partners shall be~~
23 ~~added to the partnership's income.~~

24 SECTION 12. 71.26 (1) (bo) of the statutes is created to read:

21.74.01

SENATE BILL 164

1 71.26 (1) (bo) *Wisconsin Artistic Endowment Foundation*. Income of the
2 Wisconsin Artistic Endowment Foundation under ch. 247.

3 SECTION 13. 71.26 (2) (a) of the statutes is amended to read:

4 71.26 (2) (a) *Corporations in general*. The "net income" of a corporation means
5 the gross income as computed under the internal revenue code as modified under
6 sub. (3) minus the amount of recapture under s. 71.28 (1di) plus the amount of credit
7 computed under s. 71.28 (1) and (3) to (5) and (9t) plus the amount of the credit
8 computed under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds) and (1dx) and not
9 passed through by a partnership, limited liability company or tax-option corporation
10 that has added that amount to the partnership's, limited liability company's or
11 tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g) plus the amount
12 of losses from the sale or other disposition of assets the gain from which would be
13 wholly exempt income, as defined in sub. (3) (L), if the assets were sold or otherwise
14 disposed of at a gain and minus deductions, as computed under the internal revenue
15 code as modified under sub. (3), plus or minus, as appropriate, an amount equal to
16 the difference between the federal basis and Wisconsin basis of any asset sold,
17 exchanged, abandoned or otherwise disposed of in a taxable transaction during the
18 taxable year, except as provided in par. (b) and s. 71.45 (2) and (5). ✓

INSERT C

19 SECTION 14. 71.28 (9t) of the statutes is created to read:

INSERT C

20 71.28 (9t) ARTISTIC ENDOWMENT CREDIT. (a) *Definition*. In this subsection,
21 "claimant" means a person who files a claim under this subsection.

22 (b) *Filing claims*. For taxable years beginning after December 31, 2002, subject
23 to the limitations provided in this subsection and s. 71.03 (35m) a claimant may
24 claim as a credit against the tax imposed under s. 71.23, up to the amount of those



SENATE BILL 164

INSERT C
1
2

taxes, an amount equal to the amount contributed to the artistic endowment fund under s. ~~25.77~~^{25.78}, not to exceed \$500 in a taxable year.

25% of

(c) *Limitations and conditions.* 1. No new claim may be filed under this subsection for a taxable year that begins after December 31 of the year in which the department determines that the total amount of revenues received by the endowment fund equals \$50,150,000.

2. Partnerships, limited liability companies, and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit are based on their ~~economic activity~~^{contribution under par. (b)}. A partnership, limited liability company, or tax-option corporation shall compute the amount of credit that each of its partners, members, or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interest.

3. No credit may be allowed under this subsection unless it is claimed within the time period under s. 71.75 (2).

(d) *Administration.* Subsection (4) (e) and (g), as it applies to the credit under sub. (4), applies to the credit under this subsection.

SECTION ~~15~~^{2179h} 71.30 (3) (bm) of the statutes is created to read:

71.30 (3) (bm) Artistic endowment credit under s. 71.28 (9t).

END OF INSERT C

~~SECTION 16. 71.34 (1) (g) of the statutes is amended to read:~~

~~71.34 (1) (g) An addition shall be made for credits computed by a tax-option corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx) and, (3), and (9t) and passed through to shareholders.~~

INSERT D

SECTION ~~17~~^{2193d} 71.47 (9t) of the statutes is created to read:

INSERT D

SENATE BILL 164

INSERT D

1 71.47 (9t) ARTISTIC ENDOWMENT CREDIT. (a) *Definition.* In this subsection,
2 "claimant" means a person who files a claim under this subsection.

3 (b) *Filing claims.* For taxable years beginning after December 31, 2002, subject
4 to the limitations provided in this subsection ~~and s. 71.43 (25m)~~, a claimant may
5 claim as a credit against the tax imposed under s. 71.43, up to the amount of those
6 taxes, an amount equal to ^{25% of} the amount contributed to the artistic endowment fund
7 under s. ~~25.77~~ ^{25.78}, not to exceed \$500 in a taxable year.

8 (c) *Limitations and conditions.* 1. No new claim may be filed under this
9 subsection for a taxable year that begins after December 31 of the year in which the
10 department determines that the total amount of revenues received by the
11 endowment fund equals \$50,150,000.

12 2. Partnerships, limited liability companies, and tax-option corporations may
13 not claim the credit under this subsection, but the eligibility for, and the amount of,
14 the credit are based on their ~~economic activity~~ ^{contributions under par. (b)}. A partnership, limited liability
15 company, or tax-option corporation shall compute the amount of credit that each of
16 its partners, members, or shareholders may claim and shall provide that information
17 to each of them. Partners, members of limited liability companies, and shareholders
18 of tax-option corporations may claim the credit in proportion to their ownership
19 interest.

20 3. No credit may be allowed under this subsection unless it is claimed within
21 the time period under s. 71.75 (2).

22 (d) *Administration.* Section 71.28 (4) (e) and (g), as it applies to the credit under
23 s. 71.28 (4), applies to the credit under this subsection.

24 SECTION 18. ^{2193h} 71.49 (1) (bm) of the statutes is created to read:

25 71.49 (1) (bm) Artistic endowment credit under s. 71.47 (9t).

END OF INSERT D



State of Wisconsin
2001 - 2002 LEGISLATURE

LRBb0910/1
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SDC:.....Keckhaver - CN3032/9513, Artistic endowment foundation tax credits

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS SENATE AMENDMENT

TO SENATE SUBSTITUTE AMENDMENT 1,

TO 2001 SENATE BILL 55

page 472, line 14: delete lines 14 to 16.

page 477, line 8: delete that line.

m 6-18-01

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 734, line 22: after that line insert:

3 "SECTION 2147d. 71.07 (5) (a) 10. of the statutes is created to read:

4 71.07 (5) (a) 10. Any amount claimed as a credit under sub. (9t)."

5 2. Page 737, line 24: after that line insert:

6 "SECTION 2150d. 71.07 (9t) of the statutes is created to read:

7 71.07 (9t) ARTISTIC ENDOWMENT CREDIT. (a) *Definition*. In this subsection,

8 "claimant" means a person who files a claim under this subsection.

9 (b) *Filing claims*. For taxable years beginning after December 31, 2002, subject

10 to the limitations provided in this subsection, a claimant may claim as a credit

1 against the tax imposed under s. 71.02, up to the amount of those taxes, an amount
 2 equal to 25% of the amount contributed to the artistic endowment fund under s.
 3 25.78, ^{up to a maximum} ~~not to exceed~~ \$50 ^{contribution} in a taxable year for a claimant who claims the credit as an
 4 individual or claims the credit as a married person who files a separate income tax
 5 return, ^{up to a maximum} ~~not to exceed~~ \$100 ^{contribution} in a taxable year for a claimant and a claimant's spouse
 6 who file a joint return, ~~and not to exceed \$500 in a taxable year for a claimant who~~
 7 ~~claims the credit as a sole proprietor, a partner, a member of a limited liability~~
 8 ~~company, or a shareholder in a tax-option corporation.~~

9 (c) *Limitations and conditions.* 1. Nonresidents of this state are not eligible
 10 for the credit under this subsection, ^{subd. 2} ~~except as provided under subd. 2.~~

11 2. For a claimant who is a part-year resident of this state and who is a single
 12 person or a married person filing a separate return, multiply the credit for which the
 13 claimant is eligible under par. (b) by a fraction, the numerator of which is the
 14 individual's Wisconsin adjusted gross income and the denominator of which is the
 15 individual's federal adjusted gross income. If a claimant is married and files a joint
 16 return, and if the ~~claimant or the~~ claimant's spouse, ^{if a} ~~or both are~~ nonresidents ~~or~~
 17 ^{if the claimant or the claimant's spouse, or both, are} part-year residents of this state, multiply the credit for which the claimant is eligible
 18 under par. (b) by a fraction, the numerator of which is the couple's joint Wisconsin
 19 adjusted gross income and the denominator of which is the couple's joint federal
 20 adjusted gross income.

21 3. No new claim may be filed under this subsection for a taxable year that
 22 begins after December 31 of the year in which the department determines that the
 23 total amount of revenues received by the endowment fund equals \$50,150,000.

24 4. No credit may be allowed under this subsection unless it is claimed within
 25 the time period under s. 71.75 (2).

1 ~~5. Partnerships, limited liability companies, and tax-option corporations may~~
 2 ~~not claim the credit under this subsection, but the eligibility for, and the amount of,~~
 3 ~~the credit are based on their contribution under par. (b). A partnership, limited~~
 4 ~~liability company, or tax-option corporation shall compute the amount of credit that~~
 5 ~~each of its partners, members, or shareholders may claim and shall provide that~~
 6 ~~information to each of them. Partners, members of limited liability companies, and~~
 7 ~~shareholders of tax-option corporations may claim the credit in proportion to their~~
 8 ~~ownership interest.~~

9 (d) *Administration.* Section 71.28 (4) (e) and (g), as it applies to the credit under
 10 s. 71.28 (4), applies to the credit under this subsection.

11 **SECTION 2150e.** 71.10 (4) (dg) of the statutes is created to read:

12 71.10 (4) (dg) The artistic endowment credit under s. 71.07 (9t)."

13 ~~3. Page 741, line 22: delete "and (3s)" and substitute "(3s), and (9t)".~~

14 4. Page 768, line 24: delete "and (5)" and substitute "(5), and (9t)".

15 5. Page 798, line 22: after that line insert:

16 "**SECTION 2179d.** 71.28 (9t) of the statutes is created to read:

17 71.28 (9t) ARTISTIC ENDOWMENT CREDIT. (a) *Definition.* In this subsection,
 18 "claimant" means a person who files a claim under this subsection.

19 (b) *Filing claims.* For taxable years beginning after December 31, 2002, subject
 20 to the limitations provided in this subsection, a claimant may claim as a credit
 21 against the tax imposed under s. 71.23, up to the amount of those taxes, an amount
 22 equal to 25% of the amount contributed to the artistic endowment fund under s.

23 25.78, ^{up to a maximum} ~~not to exceed~~ \$500 in a taxable year.

contribution

1 (c) *Limitations and conditions.* 1. No new claim may be filed under this
2 subsection for a taxable year that begins after December 31 of the year in which the
3 department determines that the total amount of revenues received by the
4 endowment fund equals \$50,150,000.

5 ~~2. Partnerships, limited liability companies, and tax-option corporations may
6 not claim the credit under this subsection, but the eligibility for, and the amount of,
7 the credit are based on their contribution under par. (b). A partnership, limited
8 liability company, or tax-option corporation shall compute the amount of credit that
9 each of its partners, members, or shareholders may claim and shall provide that
10 information to each of them. Partners, members of limited liability companies, and
11 shareholders of tax-option corporations may claim the credit in proportion to their
12 ownership interest.~~

13 ~~3.~~^{2.} No credit may be allowed under this subsection unless it is claimed within
14 the time period under s. 71.75 (2).

15 (d) *Administration.* Subsection (4) (e) and (g), as it applies to the credit under
16 sub. (4), applies to the credit under this subsection.

17 **SECTION 2179h.** 71.30 (3) (bm) of the statutes is created to read:

18 71.30 (3) (bm) Artistic endowment credit under s. 71.28 (9t).”.

19 ~~6.~~ Page 799, line 6: delete “and (3g)” and substitute “(3g), and (9t).”.

20 **7.** Page 831, line 18: after that line insert:

21 “**SECTION 2193d.** 71.47 (9t) of the statutes is created to read:

22 71.47 (9t) ARTISTIC ENDOWMENT CREDIT. (a) *Definition.* In this subsection,
23 “claimant” means a person who files a claim under this subsection.

1 (b) *Filing claims.* For taxable years beginning after December 31, 2002, subject
 2 to the limitations provided in this subsection, a claimant may claim as a credit
 3 against the tax imposed under s. 71.43, up to the amount of those taxes, an amount
 4 equal to 25% of the amount contributed to the artistic endowment fund under s.
 5 25.78, ^{up to a maximum} ~~but to exceed~~ \$500 ^{contribution} in a taxable year.

6 (c) *Limitations and conditions.* 1. No new claim may be filed under this
 7 subsection for a taxable year that begins after December 31 of the year in which the
 8 department determines that the total amount of revenues received by the
 9 endowment fund equals \$50,150,000.

10 ~~2. Partnerships, limited liability companies, and tax-option corporations may~~
 11 ~~not claim the credit under this subsection, but the eligibility for, and the amount of,~~
 12 ~~the credit are based on their contribution under par. (b). A partnership, limited~~
 13 ~~liability company, or tax-option corporation shall compute the amount of credit that~~
 14 ~~each of its partners, members, or shareholders may claim and shall provide that~~
 15 ~~information to each of them. Partners, members of limited liability companies, and~~
 16 ~~shareholders of tax-option corporations may claim the credit in proportion to their~~
 17 ~~ownership interest.~~

18 ² 2. No credit may be allowed under this subsection unless it is claimed within
 19 the time period under s. 71.75 (2).

20 (d) *Administration.* Section 71.28 (4) (e) and (g), as it applies to the credit under
 21 s. 71.28 (4), applies to the credit under this subsection.

22 **SECTION 2193h.** 71.49 (1) (bm) of the statutes is created to read:
 23 71.49 (1) (bm) Artistic endowment credit under s. 71.47 (9t)."



1
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8. Page 849, line 13: delete "~~and (3g), and (3s)~~" and substitute "~~(3g), (3s), and~~

~~(9f)~~"

3

page 836, line 24: after that line insert: **INSERT A**

page 1094, line 20: on lines 20 and 21, delete "~~55, or 56.~~" and substitute "or 55."

page 1095, line 4: on lines 4 and 20, delete "~~55, or 56.~~" and substitute "or 55."

page 1097, line 7: delete lines 7 to 19.

page 1098, line 20: delete the material beginning with "~~statute~~" on that line, and ending with "(this act)," on line 21 and substitute "statute";

page 1098, line 24: delete "~~55, or 56.~~" and substitute "or 55."

page 1099, line 2: delete "~~55, or 56.~~" and substitute "or 55."

page 1101, line 10: delete the material beginning with that line and ending on page 1103, line 14.

page 1424, line 20: delete that line and substitute: "(d) and (e), (6m) (a), (6r) (b) 2, 3, 4, 6, 7, and 8. (intro.)"

page 1424, line 21: delete "SECTION 3406DM,"

SENATE BILL 164

~~SECTION 19. 73.03 (35m) of the statutes is created to read:~~

~~73.03 (35m) For taxable years beginning after December 31, 2003, to deny a portion of a credit claimed under s. 71.07 (9t), 71.28 (9t), or 71.47 (9t) if granting the full amount of the credit would result in the total credits claimed by all claimants under ss. 71.07 (9t), 71.28 (9t), and 71.47 (9t) exceeding \$7,000,000 in a taxable year.~~

~~SECTION 20. 73.03 (56) of the statutes is created to read:~~

~~73.03 (56) To include on the forms on which the artistic endowment credits are claimed, under ss. 71.07 (9t), 71.28 (9t), and 71.47 (9t), a statement that a taxpayer may contribute amounts to the artistic endowment fund under s. ~~25.78~~ that exceed the amount for which a credit may be claimed by reducing the taxpayer's refund or by increasing the taxpayer's payment for tax liability, with the proceeds to be deposited into the fund.~~

~~SECTION 21. 77.54 (7r) of the statutes is created to read:~~

~~77.54 (7r) Sales of admissions or tickets after December 31, 2001, to an artistic event sponsored by an association or organization that is described in section 501 (c) (3) of the Internal Revenue Code and is exempt from taxation under section 501 (1) of the Internal Revenue Code.~~

~~SECTION 22. 77.92 (4) of the statutes is amended to read:~~

~~77.92 (4) "Net business income", with respect to a partnership, means taxable income as calculated under section 703 of the Internal Revenue Code; plus the items of income and gain under section 702 of the Internal Revenue Code, including taxable state and municipal bond interest and excluding nontaxable interest income or dividend income from federal government obligations; minus the items of loss and deduction under section 702 of the Internal Revenue Code, except items that are not deductible under s. 71.21; plus guaranteed payments to partners under section 707~~

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State of Wisconsin
2001 - 2002 LEGISLATURE

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SDC:.....Keckhaver – CN3032/9513, Artistic endowment foundation tax credits

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS SENATE AMENDMENT

TO SENATE SUBSTITUTE AMENDMENT 1,

TO 2001 SENATE BILL 55

in 6-19-01

Today

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 472, line 14: delete lines 14 to 16.

3 2. Page 477, line 8: delete that line.

4 3. Page 734, line 22: after that line insert:

5 "SECTION 2147d. 71.07 (5) (a) 10. of the statutes is created to read:

6 71.07 (5) (a) 10. Any amount claimed as a credit under sub. (9t).".

7 4. Page 737, line 24: after that line insert:

8 "SECTION 2150d. 71.07 (9t) of the statutes is created to read:

1 71.07 (9t) ARTISTIC ENDOWMENT CREDIT. (a) *Definition.* In this subsection,
2 “claimant” means a person who files a claim under this subsection.

3 (b) *Filing claims.* For taxable years beginning after December 31, 2002, subject
4 to the limitations provided in this subsection, a claimant may claim as a credit
5 against the tax imposed under s. 71.02, up to the amount of those taxes, an amount
6 equal to 25% of the amount contributed to the artistic endowment fund under s.
7 25.78, up to a maximum \$50 contribution in a taxable year for a claimant who claims
8 the credit as an individual or claims the credit as a married person who files a
9 separate income tax return, up to a maximum \$100 contribution in a taxable year
10 for a claimant and a claimant’s spouse who file a joint return.

11 (c) *Limitations and conditions.* 1. Nonresidents of this state are not eligible
12 for the credit under this subsection, except as provided under subd. 2.

13 2. For a claimant who is a part-year resident of this state and who is a single
14 person or a married person filing a separate return, multiply the credit for which the
15 claimant is eligible under par. (b) by a fraction, the numerator of which is the
16 individual’s Wisconsin adjusted gross income and the denominator of which is the
17 individual’s federal adjusted gross income. If a claimant is married and files a joint
18 return, and if the claimant’s spouse is a nonresident or if the claimant or the
19 claimant’s spouse, or both, are part-year residents of this state, multiply the credit
20 for which the claimant is eligible under par. (b) by a fraction, the numerator of which
21 is the couple’s joint Wisconsin adjusted gross income and the denominator of which
22 is the couple’s joint federal adjusted gross income.

23 3. No new claim may be filed under this subsection for a taxable year that
24 begins after December 31 of the year in which the department determines that the
25 total amount of revenues received by the endowment fund equals \$50,150,000.

1 4. No credit may be allowed under this subsection unless it is claimed within
2 the time period under s. 71.75 (2).

3 (d) *Administration.* Section 71.28 (4) (e) and (g), as it applies to the credit under
4 s. 71.28 (4), applies to the credit under this subsection.

5 **SECTION 2150e.** 71.10 (4) (dg) of the statutes is created to read:

6 71.10 (4) (dg) The artistic endowment credit under s. 71.07 (9t).”.

7 **5.** Page 768, line 24: delete “and (5)” and substitute “(5), and (9t)”.

8 **6.** Page 798, line 22: after that line insert:

9 “**SECTION 2179d.** 71.28 (9t) of the statutes is created to read:

10 71.28 (9t) ARTISTIC ENDOWMENT CREDIT. (a) *Definition.* In this subsection,
11 “claimant” means a person who files a claim under this subsection.

12 (b) *Filing claims.* For taxable years beginning after December 31, 2002, subject
13 to the limitations provided in this subsection, a claimant may claim as a credit
14 against the tax imposed under s. 71.23, up to the amount of those taxes, an amount
15 equal to 25% of the amount contributed to the artistic endowment fund under s.
16 25.78, up to a maximum \$500 contribution in a taxable year.

17 (c) *Limitations and conditions.* 1. No new claim may be filed under this
18 subsection for a taxable year that begins after December 31 of the year in which the
19 department determines that the total amount of revenues received by the
20 endowment fund equals \$50,150,000.

21 2. No credit may be allowed under this subsection unless it is claimed within
22 the time period under s. 71.75 (2).

23 (d) *Administration.* Subsection (4) (e) and (g), as it applies to the credit under
24 sub. (4), applies to the credit under this subsection.

1 **SECTION 2179h.** 71.30 (3) (bm) of the statutes is created to read:

2 71.30 (3) (bm) Artistic endowment credit under s. 71.28 (9t).”.

3 **7.** Page 831, line 18: after that line insert:

4 **“SECTION 2193d.** 71.47 (9t) of the statutes is created to read:

5 71.47 (9t) ARTISTIC ENDOWMENT CREDIT. (a) *Definition.* In this subsection,
6 “claimant” means a person who files a claim under this subsection.

7 (b) *Filing claims.* For taxable years beginning after December 31, 2002, subject
8 to the limitations provided in this subsection, a claimant may claim as a credit
9 against the tax imposed under s. 71.43, up to the amount of those taxes, an amount
10 equal to 25% of the amount contributed to the artistic endowment fund under s.
11 25.78, up to a maximum \$500 contribution in a taxable year.

12 (c) *Limitations and conditions.* 1. No new claim may be filed under this
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14 department determines that the total amount of revenues received by the
15 endowment fund equals \$50,150,000.

16 2. No credit may be allowed under this subsection unless it is claimed within
17 the time period under s. 71.75 (2).

18 (d) *Administration.* Section 71.28 (4) (e) and (g), as it applies to the credit under
19 s. 71.28 (4), applies to the credit under this subsection.

20 **SECTION 2193h.** 71.49 (1) (bm) of the statutes is created to read:

21 71.49 (1) (bm) Artistic endowment credit under s. 71.47 (9t).”.

22 **8.** Page 836, line 24: after that line insert:

23 **“SECTION 2205n.** 73.03 (57) of the statutes is created to read:

SDC:.....Keckhaver – CN3032/9513, Artistic endowment foundation tax credits

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS SENATE AMENDMENT

TO SENATE SUBSTITUTE AMENDMENT 1,

TO 2001 SENATE BILL 55

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 472, line 14: delete lines 14 to 16.

3 **2.** Page 477, line 8: delete that line.

4 **3.** Page 734, line 22: after that line insert:

5 “SECTION 2147d. 71.07 (5) (a) 10. of the statutes is created to read:

6 71.07 (5) (a) 10. Any amount claimed as a credit under sub. (9t).”.

7 **4.** Page 737, line 24: after that line insert:

8 “SECTION 2150d. 71.07 (9t) of the statutes is created to read:

1 71.07 (9t) ARTISTIC ENDOWMENT CREDIT. (a) *Definition.* In this subsection,
2 “claimant” means a person who files a claim under this subsection.

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7 25.78, up to a maximum \$50 contribution in a taxable year for a claimant who claims
8 the credit as an individual or claims the credit as a married person who files a
9 separate income tax return, up to a maximum \$100 contribution in a taxable year
10 for a claimant and a claimant’s spouse who file a joint return.

11 (c) *Limitations and conditions.* 1. Nonresidents of this state are not eligible
12 for the credit under this subsection, except as provided under subd. 2.

13 2. For a claimant who is a part–year resident of this state and who is a single
14 person or a married person filing a separate return, multiply the credit for which the
15 claimant is eligible under par. (b) by a fraction, the numerator of which is the
16 individual’s Wisconsin adjusted gross income and the denominator of which is the
17 individual’s federal adjusted gross income. If a claimant is married and files a joint
18 return, and if the claimant’s spouse is a nonresident or if the claimant or the
19 claimant’s spouse, or both, are part–year residents of this state, multiply the credit
20 for which the claimant is eligible under par. (b) by a fraction, the numerator of which
21 is the couple’s joint Wisconsin adjusted gross income and the denominator of which
22 is the couple’s joint federal adjusted gross income.

23 3. No new claim may be filed under this subsection for a taxable year that
24 begins after December 31 of the year in which the department determines that the
25 total amount of revenues received by the endowment fund equals \$50,150,000.

1 4. No credit may be allowed under this subsection unless it is claimed within
2 the time period under s. 71.75 (2).

3 **SECTION 2150e.** 71.10 (4) (dg) of the statutes is created to read:

4 71.10 (4) (dg) The artistic endowment credit under s. 71.07 (9t).”.

5 **5.** Page 768, line 24: delete “and (5)” and substitute “(5), and (9t)”.

6 **6.** Page 798, line 22: after that line insert:

7 “**SECTION 2179d.** 71.28 (9t) of the statutes is created to read:

8 71.28 (9t) ARTISTIC ENDOWMENT CREDIT. (a) *Definition.* In this subsection,
9 “claimant” means a person who files a claim under this subsection.

10 (b) *Filing claims.* For taxable years beginning after December 31, 2002, subject
11 to the limitations provided in this subsection, a claimant may claim as a credit
12 against the tax imposed under s. 71.23, up to the amount of those taxes, an amount
13 equal to 25% of the amount contributed to the artistic endowment fund under s.
14 25.78, up to a maximum \$500 contribution in a taxable year.

15 (c) *Limitations and conditions.* 1. No new claim may be filed under this
16 subsection for a taxable year that begins after December 31 of the year in which the
17 department determines that the total amount of revenues received by the
18 endowment fund equals \$50,150,000.

19 2. No credit may be allowed under this subsection unless it is claimed within
20 the time period under s. 71.75 (2).

21 (d) *Administration.* Subsection (4) (e) and (g), as it applies to the credit under
22 sub. (4), applies to the credit under this subsection.

23 **SECTION 2179h.** 71.30 (3) (bm) of the statutes is created to read:

24 71.30 (3) (bm) Artistic endowment credit under s. 71.28 (9t).”.

1 **7.** Page 831, line 18: after that line insert:

2 “**SECTION 2193d.** 71.47 (9t) of the statutes is created to read:

3 71.47 (9t) ARTISTIC ENDOWMENT CREDIT. (a) *Definition.* In this subsection,
4 “claimant” means a person who files a claim under this subsection.

5 (b) *Filing claims.* For taxable years beginning after December 31, 2002, subject
6 to the limitations provided in this subsection, a claimant may claim as a credit
7 against the tax imposed under s. 71.43, up to the amount of those taxes, an amount
8 equal to 25% of the amount contributed to the artistic endowment fund under s.
9 25.78, up to a maximum \$500 contribution in a taxable year.

10 (c) *Limitations and conditions.* 1. No new claim may be filed under this
11 subsection for a taxable year that begins after December 31 of the year in which the
12 department determines that the total amount of revenues received by the
13 endowment fund equals \$50,150,000.

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15 the time period under s. 71.75 (2).

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18 **SECTION 2193h.** 71.49 (1) (bm) of the statutes is created to read:

19 71.49 (1) (bm) Artistic endowment credit under s. 71.47 (9t).”.

20 **8.** Page 836, line 24: after that line insert:

21 “**SECTION 2205n.** 73.03 (57) of the statutes is created to read:

22 73.03 (57) To include on the forms on which the artistic endowment credits are
23 claimed, under ss. 71.07 (9t), 71.28 (9t), and 71.47 (9t), a statement that a taxpayer
24 may contribute amounts to the artistic endowment fund under s. 25.78 that exceed

1 the amount for which a credit may be claimed by reducing the taxpayer's refund or
2 by increasing the taxpayer's payment for tax liability, with the proceeds to be
3 deposited into the fund.”.

4 **9.** Page 1094, line 20: on lines 20 and 21, delete “55., or 56.” and substitute “or
5 55.”.

6 **10.** Page 1095, line 4: on lines 4 and 20, delete “55., or 56.” and substitute “or
7 55.”.

8 **11.** Page 1098, line 7: delete lines 7 to 19.

9 **12.** Page 1098, line 20: delete the material beginning with “statutes” and
10 ending with “(this act),” on line 21 and substitute “statutes”.

11 **13.** Page 1098, line 24: delete “~~55., or 56.~~” and substitute “~~or 55.~~”.

12 **14.** Page 1099, line 2: delete “~~55., or 56.~~” and substitute “~~or 55.~~”.

13 **15.** Page 1101, line 10: delete the material beginning with that line and
14 ending on page 1103, line 14.

15 **16.** Page 1424, line 20: delete that line and substitute:

16 “(d) and (e), (6m) (a), (6r) (b) 2., 3., 4., 6., 7., and 8. (intro.),”.

17 **17.** Page 1424, line 21: delete “SECTION 3406dm),”.

18 (END)