

2001 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-SB55)

Received: **06/21/2001**

Received By: **jkreye**

Wanted: **Soon**

Identical to LRB:

For: **Spencer Black (608) 266-7521**

By/Representing: **McMurray**

This file may be shown to any legislator: **NO**

Drafter: **jkreye**

May Contact:

Addl. Drafters:

Subject: **Tax - corp. inc. and fran.**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Black@legis.state.wi.us**

Pre Topic:

No specific pre topic given

Topic:

39: Limit the corporate income tax deduction for compensation paid to an employee

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 06/21/2001	wjackson 06/21/2001	jfrantze 06/22/2001	_____	lrb_docadmin 06/22/2001	lrb_docadmin 06/22/2001	
				_____		lrb_docadmin	
				_____		06/22/2001	

FE Sent For:

<END>

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/1	jkreye	1 WLJ 6/21	J 6/22	J 6/22			

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<END>

Assembly Democrat Budget Amendment Requests

Request Number: 39
(not LRB number)

Agency: DOR

Description: Income Equity Act-

Attachments: AB 161 (1999)

Cost (if known): (\$20 mill)

Contact person: Susan McMurray, 266-7521, Representative Black's Office

JK

2001

Date (time) needed

m 6-21-01

LRB b 13531 1

**ADC CAUCUS BUDGET AMENDMENT
[ONLY FOR CAUCUS]**

JK: WJ

See form **AMENDMENTS — COMPONENTS & ITEMS.**

**CAUCUS AMENDMENT
TO ASSEMBLY SUBSTITUTE AMENDMENT 1
TO 2001 SENATE BILL 55**

>>FOR CAUCUS SUPERAMENDMENT — NOT FOR INTRODUCTION<<

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

↓ #. Page *793*, line *5*: *after that line insert* ⤴ **INSERT A**

↓ #. Page *1404*, line *21*: *after that line insert* ⤴ **INSERT B**

end

~~#. Page, line:~~

~~#. Page, line:~~

~~#. Page, line:~~

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1999 ASSEMBLY BILL 161

March 4, 1999 - Introduced by Representatives POCAN, BOCK, SINICKI, MILLER, CARPENTER, BERCEAU, MUSSER, BLACK, PLOUFF, BOYLE, LA FAVE, TURNER, KREUSER, SCHNEIDER, RYBA and CULLEN, cosponsored by Senator RISSER. Referred to Committee on Ways and Means.

1 AN ACT to amend 71.26 (3) (c) 1. of the statutes; relating to: limiting the
2 corporate income tax deduction for compensation paid to an employe.

Analysis by the Legislative Reference Bureau

Under current law, a corporation may deduct from its income tax the compensation paid to its officers and employes. The corporate income tax deduction for compensation paid to executive officers cannot exceed \$1,000,000.

This bill further limits any single corporate income tax deduction for compensation paid to an employe or officer to an amount not to exceed the compensation paid to a corporation's lowest paid full-time employe multiplied by 25.

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:

3 SECTION 1. 71.26 (3) (e) 1. of the statutes is amended to read:
4 71.26 (3) (e) 1. So that payments for wages, salaries, commissions and bonuses
5 of employes and officers may be deducted only if the name, address and amount paid
6 to each resident of this state to whom compensation of \$600 or more has been paid

INSERT
A

2175m
employees (plain)
5

ASSEMBLY BILL 161

INSERT A

END OF INSERT A

1 during the taxable year is reported or if the department of revenue is satisfied that
 2 failure to report has resulted in no revenue loss to this state. A deduction for wages,
 3 salaries, commissions, and bonuses paid to an ~~employee~~ ^{employee} or officer shall not exceed an
 4 amount equal to the wages, salaries, commissions, and bonuses paid to the
 5 corporation's lowest paid full-time ~~employee~~ ^{employee} multiplied by 25.

6 ~~Section 2. Initial applicability.~~ ^{Section 2. Initial applicability.} ^{9M} ^{COMPENSATION DEDUCTION} [Ⓢ] The treatment of ^{section} 71.26(3)(e) ^{1. of the} ^{statutes}
 7 ~~this section~~ first applies to taxable years beginning on January 1 of the year
 8 in which this subsection takes effect, except that if this subsection takes effect after
 9 July 31 ~~this section~~ ^{the treatment of section 71.26(3)(e) 1. of the statutes} first applies to taxable years beginning on January 1 of the year
 10 following the year in which this subsection takes effect.

11 (END)

INSERT B