

2005 DRAFTING REQUEST

Bill

Received: 11/18/2004

Received By: jkreye

Wanted: As time permits

Identical to LRB: 03 AB 704

For: Steve Wieckert (608) 266-3070

By/Representing: scott

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Addl. Drafters:

Subject: Tax, Business - credits

Extra Copies:

Submit via email: YES

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

Carbon copy (CC:) to: joseph.kreye@legis.state.wi.us

Pre Topic:

No specific pre topic given

Topic:

Extending tax credit carry-over provisions

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>
/?	jkreye 11/18/2004	kfollett 11/18/2004		_____			State
/1			rschluet 11/18/2004	_____	sbasford 11/18/2004	sbasford 03/01/2005	

FE Sent For: 11/19/2004.

<END>

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LRB-0904

11/18/2004 02:29:21 PM

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FE Sent For: 11/19/04

/1

Scott

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/?	jkreye	11/18/04 11/18/04					
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FE Sent For:

11/18/04
4
<END>

11-18-04

Scott ——— Mueckert

redraft 2003 Assembly Bill 704

would like by Dec 1.

0904/1

PWF

2003 ASSEMBLY BILL 704

in 11-18-04
due 11-29-04
KJF
D-N

December 17, 2003 – Introduced by Representatives WIECKERT, SCHOOFF, F. LASEE, OLSEN, OTT, TOWNSEND, HINES, OWENS, JESKEWITZ, BIES, WEBER, GIELOW and LOTHIAN, cosponsored by Senators REYNOLDS, LASSA, ROESSLER and STEPP. Referred to Committee on Ways and Means.

Regen

- 1 AN ACT to amend 71.07 (2), 71.07 (2dr) (f), 71.07 (3s) (c) 1., 71.28 (1) (b), 71.28
- 2 (3) (c) 1., 71.28 (4) (f), 71.47 (1) (b), 71.47 (3) (c) 1. and 71.47 (4) (f) of the statutes;
- 3 relating to: extending tax credit carry-over provisions for income tax and
- 4 franchise tax purposes.

Analysis by the Legislative Reference Bureau

Under current law, generally, if an income or franchise tax credit claimed by a business exceeds the tax liability of the business for the taxable year, the state will not issue a refund check, but the business may claim the unused balance of the credit against its tax liability for up to 15 subsequent taxable years. Under this bill, a business may claim the unused balance of any income or franchise tax credit against its tax liability for up to 20 subsequent taxable years. The bill applies to all credits related to development zones, to the community development authority credit, to the research credit, to the supplemental federal historic rehabilitation credit, and to the manufacturing sales tax credit.

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:

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

ASSEMBLY BILL 704**SECTION 1**

1 71.07 (2) COMMUNITY DEVELOPMENT FINANCE AUTHORITY CREDIT. Any individual
2 receiving a credit under s. 71.09 (12m), 1985 stats., may carry forward to the next
3 succeeding ~~15~~ [✓]20 taxable years the amount of the credit not offset against taxes for
4 the year of purchase to the extent not offset by those taxes otherwise due in all
5 intervening years between the year for which the credit was computed and the year
6 for which the carry-forward is claimed.

7 **SECTION 2.** 71.07 (2dr) [✓](f) of the statutes is amended to read:

8 71.07 (2dr) (f) *Carry-over.* If a credit computed under this subsection is not
9 entirely offset against Wisconsin income or franchise taxes otherwise due, the
10 unused balance may be carried forward and credited against Wisconsin income or
11 franchise taxes otherwise due for the following ~~15~~ [✓]20 taxable years to the extent not
12 offset by these taxes otherwise due in all intervening years between the year in which
13 the expense was incurred and the year in which the carry-forward credit is claimed.

14 **SECTION 3.** 71.07 (3s) [✓](c) 1. of the statutes is amended to read:

15 71.07 (3s) (c) 1. The credit under par. (b), including any credits carried over,
16 may be offset only against the amount of the tax imposed upon or measured by the
17 business operations of the claimant in which the fuel and electricity are consumed.
18 If the credit computed is not entirely offset against taxes otherwise due, the unused
19 balance shall be carried forward and credited against taxes otherwise due for the
20 following ~~15~~ [✓]20 taxable years to the extent not offset by taxes otherwise due in all
21 intervening years between the year in which the expense was incurred and the year
22 in which the carry-forward credit is claimed.

23 **SECTION 4.** 71.28 (1) [✓](b) of the statutes is amended to read:

24 71.28 (1) (b) Any corporation receiving a credit under this subsection may carry
25 forward to the next succeeding ~~15~~ [✓]20 taxable years the amount of the credit not offset

ASSEMBLY BILL 704

1 against taxes for the year of purchase to the extent not offset by those taxes otherwise
2 due in all intervening years between the year for which the credit was computed and
3 the year for which the carry-forward is claimed.

4 ~~SECTION 5. 71.28 (3) (c) 1. of the statutes is amended to read:~~

5 ~~71.28 (3) (c) 1. If the credit computed under par. (b) is not entirely offset against~~
6 ~~Wisconsin income or franchise taxes otherwise due, the unused balance shall be~~
7 ~~carried forward and credited against Wisconsin income or franchise taxes otherwise~~
8 ~~due for the following ~~15~~ 20 taxable years to the extent not offset by these taxes~~
9 ~~otherwise due in all intervening years between the year in which the expense was~~
10 ~~incurred and the year in which the carry-forward credit is claimed.~~

11 ~~SECTION 6,~~ 71.28 (4) (f) of the statutes is amended to read:

12 71.28 (4) (f) *Carry-over.* If a credit computed under this subsection is not
13 entirely offset against Wisconsin income or franchise taxes otherwise due, the
14 unused balance may be carried forward and credited against Wisconsin income or
15 franchise taxes otherwise due for the following ~~15~~ 20 taxable years to the extent not
16 offset by these taxes otherwise due in all intervening years between the year in which
17 the expense was incurred and the year in which the carry-forward credit is claimed.

18 ~~SECTION 7,~~ 71.47 (1) (b) of the statutes is amended to read:

19 71.47 (1) (b) Any corporation receiving a credit under this subsection may carry
20 forward to the next succeeding ~~15~~ 20 taxable years the amount of the credit not offset
21 against taxes for the year of purchase to the extent not offset by those taxes otherwise
22 due in all intervening years between the year for which the credit was computed and
23 the year for which the carry-forward is claimed.

24 ~~SECTION 8. 71.47 (3) (c) 1. of the statutes is amended to read:~~

09/04/10
VK:klj

Date

Wieckert

Representative Wieckert:

similar

This bill is ~~identical~~ to 2003 assembly Bill
the Department of Revenue

704. Please note that ~~DOR~~ may recommend

amending the dates in the initial applicability section

passage

to reflect the carriage of time. Please contact me

if you have any questions.

it

changes

VK

, except that ~~reflects~~ the changes

made by 2003 Wisconsin Act 267.

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0904/1dn
JK:kjfrs

November 18, 2004

Representative Wieckert:

This bill is similar to 2003 Assembly Bill 704, except that it reflects the changes made by 2003 Wisconsin Act 267. Please note that the Department of Revenue may recommend amending the dates in the initial applicability section to reflect the passage of time. Please contact me if you have any questions.

Joseph T. Kreye
Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.state.wi.us

Barman, Mike

From: Becher, Scott
Sent: Monday, February 28, 2005 4:59 PM
To: Barman, Mike
Subject: FW: LRB 0904

-----Original Message-----

From: Becher, Scott
Sent: Monday, February 28, 2005 4:58 PM
To: 'lrbdrafting@legis.state.wi.us'
Subject:

Please jacket LRB 0904

Memo

To: Senator Representative Wieckert (The Draft's Requester)

Per your request: ... the attached fiscal estimate was prepared for your unIntroduced 2005 draft.

LRB Number: LRB -0904

Version: " / 1 "

Fiscal Estimate Prepared By: (agency abbr.) DOR

If you have questions about the enclosed fiscal estimate, you may contact the state agency representative that prepared the fiscal estimate. If you disagree with the enclosed fiscal estimate, please contact the LRB drafter of your proposal to discuss your options under the fiscal estimate procedure.

Entered In Computer And Copy Sent To Requester Via E-Mail: 12 / 15 / 2004

* * * * *

To: LRB - Legal Section PA's

Subject: *Fiscal Estimate Received For An Unintroduced Draft*

- > **If redrafted** ... please insert this cover sheet and attached early fiscal estimate into the drafting file ... after the draft's old version (the version that this fiscal estimate was based on), and before the markup of the draft on the updated version.
- > **If introduced** ... and the version of the attached fiscal estimate is for a **previous version** ... please insert this cover sheet and attached early fiscal estimate into the drafting file ... after the draft's old version (the version that this fiscal estimate was based on), and before the markup of the draft on the updated version. Have Mike (or Lynn) get the ball rolling on getting a fiscal estimate prepared for the introduced version.
- > **If introduced** ... and the version of the attached fiscal estimate is for the **current version** ... please write the draft's introduction number below and give to Mike (or Lynn) to process.

THIS DRAFT WAS INTRODUCED AS: 2005 AB [redacted] 323

Barman, Mike

From: Barman, Mike
Sent: Wednesday, December 15, 2004 10:56 AM
To: Rep.Wieckert
Cc: Becher, Scott
Subject: LRB 05-0904/1 (FE & Tech. Memo by DOR - attached - for your review)



Tech_Memo_Wieckert.PDF FE_Wieckert.PDF