

2005 DRAFTING REQUEST

Bill

Received: **03/15/2005**

Received By: **jkreye**

Wanted: **As time permits**

Identical to LRB:

For: **Brett Davis (608) 266-1192**

By/Representing: **luke**

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.Davis@legis.state.wi.us**

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

Pre Topic:

No specific pre topic given

Topic:

Refundable development zone credits to claimant's with no tax liability

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>
/P1	jkreye 03/21/2005	jdyer 03/22/2005	rschluet 03/22/2005	_____	lnorthro 03/22/2005		State
	jkreye 03/29/2005	jdyer 03/29/2005		_____			
/P2	jkreye 04/12/2005	wjackson 04/12/2005	rschluet 03/29/2005	_____	sbasford 03/29/2005		State
/1	jkreye 04/28/2005	jdyer 04/28/2005	pgreensl 04/12/2005	_____	lnorthro 04/12/2005	lnorthro 04/12/2005	State

Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

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rschluet _____
04/28/2005 _____

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State

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/P2	jkreye 04/12/2005	wjackson 04/12/2005	rschluet 03/29/2005	_____	sbasford 03/29/2005		State
/1		<i>1/2 4/28 jld</i>	pgreensl 04/12/2005	<i>[Signature]</i>	lnorthro 04/12/2005	lnorthro 04/12/2005	State

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PLEASE JACKET
SLASH FOR DAVIS
jre

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	jkreye 03/29/2005	jdyer 03/29/2005		_____			
/P2		1/12/4/12	rschluet 03/29/2005	_____	sbasford 03/29/2005		State

FE Sent For:

4/12/05
pd

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Received: 03/15/2005

Received By: jkreye

Wanted: As time permits

Identical to LRB:

For: Brett Davis (608) 266-1192

By/Representing: luke

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.Davis@legis.state.wi.us

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

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Instructions:

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/P1	jkreye 03/21/2005	jdyer 03/22/2005	rschluet 03/22/2005		lnorthro 03/22/2005		State

FE Sent For:

Handwritten: P2 3/29/05

Handwritten signature and scribbles

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Pre Topic:

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Topic:

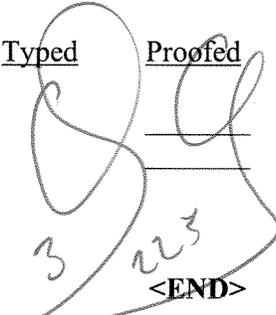
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Instructions:

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3-15-05

Rep Davis - Luke 6-1192

Lower — opening a distribution center in
Janetville — want refundable d-gover
credit because lower will have no
tax liability

**ASSEMBLY AMENDMENT 1,
TO 2003 ASSEMBLY BILL 508**

October 16, 2003 - Offered by JOINT COMMITTEE ON FINANCE.

1 ~~At the locations indicated, amend the bill as follows:~~

2 ~~1. Page 1, line 3: after "manufacturing" insert "~~allowing refunds for claiming
3 the development zones capital investment tax credit, development zones credit,
4 development opportunity zones credit, technology zones credit and making an
5 appropriation.~~"~~

6 ~~2. Page 1, line 4: before that line insert:~~

7 ~~"SECTION 1b.~~ 20.835 (2) (dz) of the statutes is created to read:

8 20.835 (2) (dz) *Development zones and technology zones credits.* A sum
9 sufficient to make the payments under ss. 71.07 (2di) (gm), (2dm) (gm), (2dx) (dm),
10 and (3g) (bm), 71.28 (1di) (gm), (1dm) (gm), (1dx) (dm), and (3g) (bm), and 71.47 (1di)
11 (gm), (1dm) (gm), (1dx) (dm), and (3g) (bm).

12 ~~SECTION 1c.~~ 71.07 (2di) (c) of the statutes is amended to read:

1 71.07 (2di) (c) Except as provided in par. (b) 2., the for taxable years beginning
 2 before January 1, 2006, the carry-over provisions of s. 71.28 (4) (e) and (f) as they
 3 relate to the credit under s. 71.28 (4) relate to the credit under this subsection and
 4 apply as if the development zone continued to exist.

5 **SECTION 1d.** 71.07 (2di) (gm) of the statutes is created to read:

6 71.07 (2di) (gm) For credits computed based on amounts paid or incurred in
 7 taxable years beginning after December 31, 2005, if the allowable amount of the
 8 claim under this subsection exceeds the income taxes otherwise due on the claimant's
 9 income, *because the claimant has no income taxes due* the amount of the claim ~~that is not used to offset those taxes~~ shall be certified
 10 by the department of revenue to the department of administration for payment by
 11 check, share draft, or other draft drawn from the appropriation under s. 20.835 (2)
 12 (dz).

13 **SECTION 1e.** 71.07 (2dm) (gm) of the statutes is created to read:

14 71.07 (2dm) (gm) For credits computed based on amounts paid or incurred in
 15 taxable years beginning after December 31, 2005, if the allowable amount of the
 16 claim under this subsection exceeds the income taxes otherwise due on the claimant's
 17 income, the amount of the claim ~~that is not used to offset those taxes~~ shall be certified
 18 by the department of revenue to the department of administration for payment by
 19 check, share draft, or other draft drawn from the appropriation under s. 20.835 (2)
 20 (dz).

21 **SECTION 1f.** 71.07 (2dm) (h) of the statutes is amended to read:

22 71.07 (2dm) (h) The For taxable years beginning before January 1, 2006, the
 23 carry-over provisions of s. 71.28 (4) (e) and (f) as they relate to the credit under s.
 24 71.28 (4) relate to the credit under this subsection.

25 **SECTION 1g.** 71.07 (2dx) (dm) of the statutes is created to read:

because the claimant has no income due

1 71.07 (2dx) (dm) *Refunds*. For credits computed based on amounts paid or
2 incurred in taxable years beginning after December 31, 2005, if the allowable
3 amount of the claim under this subsection exceeds the income taxes otherwise due
4 on the claimant's income, the amount of the claim that is not used to offset those taxes
5 shall be certified by the department of revenue to the department of administration
6 for payment by check, share draft, or other draft drawn from the appropriation under
7 s. 20.835 (2) (dz).

8 **SECTION 1h.** 71.07 (2dx) (e) of the statutes is amended to read:

9 71.07 (2dx) (e) *Administration*. Section 71.28 (4) (e) to (g) and (h), as it applies
10 to the credit under s. 71.28 (4), applies to the credit under this subsection. For
11 taxable years beginning before January 1, 2006, s. 71.28 (4) (e) and (f), as it applies
12 to the credit under s. 71.28 (4), applies to the credit under this subsection. Subsection
13 (2dj) (c), as it applies to the credit under sub. (2dj), applies to the credit under this
14 subsection. Claimants shall include with their returns a copy of their certification for
15 tax benefits and a copy of the department of commerce's verification of their
16 expenses.

17 **SECTION 1i.** 71.07 (3g) (bm) of the statutes is created to read:

18 71.07 (3g) (bm) For credits computed based on amounts paid or incurred in
19 taxable years beginning after December 31, 2005, if the allowable amount of the
20 claim under this subsection exceeds the income taxes otherwise due on the claimant's
21 income, the amount of the claim ~~that is not used to offset those taxes~~ shall be certified
22 by the department of revenue to the department of administration for payment by
23 check, share draft, or other draft drawn from the appropriation under s. 20.835 (2)
24 (dz).

25 ~~**SECTION 1j.** 71.07 (3g) (c) of the statutes is amended to read:~~

1 71.07 (3g) (e) Section 71.28 (4) (e), (f), (g), and (h), as it applies to the credit
2 under s. 71.28 (4), applies to the credit under par. (a). For taxable years beginning
3 before January 1, 2006, s. 71.28 (4) (e) and (f), as it applies to the credit under s. 71.28
4 (4), applies to the credit under par. (a).”

5 **3.** Page 1, line 4: delete “**SECTION 1**” and substitute “**SECTION 1m**”.

6 **4.** Page 2, line 6: after that line insert:

7 “**SECTION 1n.** 71.10 (3) (ac) of the statutes is repealed.

8 **SECTION 1p.** 71.10 (4) (gg) of the statutes is repealed.

9 **SECTION 1q.** 71.10 (4) (grb) of the statutes is repealed.

10 **SECTION 1r.** 71.10 (4) (grd) of the statutes is repealed.

11 **SECTION 1s.** 71.10 (4) (gu) of the statutes is repealed.

12 **SECTION 1t.** 71.10 (4) (i) of the statutes is amended to read:

13 71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland
14 preservation credit under subch. IX, homestead credit under subch. VIII,
15 development zones investment credit under s. 71.07 (2di), development zone capital
16 investment credit under s. 71.07 (2dm), development zones credit under s. 71.07
17 (2dx), technology zones credit under s. 71.07 (3g), farmland tax relief credit under s.
18 71.07 (3m), farmers’ drought property tax credit under s. 71.07 (2fd), earned income
19 tax credit under s. 71.07 (9e), estimated tax payments under s. 71.09, and taxes
20 withheld under subch. X.

21 **SECTION 2b.** 71.28 (1di) (c) of the statutes is amended to read:

22 71.28 (1di) (c) Except as provided in par. (b) 2., the for taxable years beginning
23 before January 1, 2006, the carry-over provisions of sub. (4) (e) and (f) as they relate

because the claimant has no income taxes due

1 to the credit under that subsection relate to the credit under this subsection and
2 apply as if the development zone continued to exist.

3 **SECTION 2c.** 71.28 (1di) (gm) of the statutes is created to read:

4 71.28 (1di) (gm) For credits computed based on amounts paid or incurred in
5 taxable years beginning after December 31, 2005, if the allowable amount of the
6 claim under this subsection exceeds the income taxes otherwise due on the claimant's
7 income, the amount of the claim ~~that is not used to offset those taxes~~ shall be certified
8 by the department of revenue to the department of administration for payment by
9 check, share draft, or other draft drawn from the appropriation under s. 20.835 (2)
10 (dz).

11 **SECTION 2d.** 71.28 (1dm) (gm) of the statutes is created to read:

12 71.28 (1dm) (gm) For credits computed based on amounts paid or incurred in
13 taxable years beginning after December 31, 2005, if the allowable amount of the
14 claim under this subsection exceeds the income taxes otherwise due on the claimant's
15 income, the amount of the claim ~~that is not used to offset those taxes~~ shall be certified
16 by the department of revenue to the department of administration for payment by
17 check, share draft, or other draft drawn from the appropriation under s. 20.835 (2)
18 (dz).

19 **SECTION 2e.** 71.28 (1dm) (h) of the statutes is amended to read:

20 71.28 (1dm) (h) The For taxable years beginning before January 1, 2006, the
21 carry-over provisions of sub. (4) (e) and (f) as they relate to the credit under sub. (4)
22 relate to the credit under this subsection.

23 **SECTION 2f.** 71.28 (1dx) (dm) of the statutes is created to read:

24 71.28 (1dx) (dm) *Refunds.* For credits computed based on amounts paid or
25 incurred in taxable years beginning after December 31, 2005, if the allowable

because the claimant has no income taxes due

1 amount of the claim under this subsection exceeds the income taxes otherwise due
2 on the claimant's income, the amount of the claim that is not used to offset those taxes
3 shall be certified by the department of revenue to the department of administration
4 for payment by check, share draft, or other draft drawn from the appropriation under
5 s. 20.835 (2) (dz).

6 **SECTION 2g.** 71.28 (1dx) (e) of the statutes is amended to read:

7 71.28 (1dx) (e) *Administration.* Subsection (4) (e) to (g) and (h), as it applies
8 to the credit under sub. (4), applies to the credit under this subsection. For taxable
9 years beginning after January 1, 2006, sub. (4) (e) and (f), as it applies to the credit
10 under sub. (4), applies to the credit under this subsection. Subsection (1dj) (c), as it
11 applies to the credit under sub. (1dj), applies to the credit under this subsection.
12 Claimants shall include with their returns a copy of their certification for tax benefits
13 and a copy of the department of commerce's verification of their expenses."

14 **5.** Page 2, line 7: delete "SECTION 2" and substitute "SECTION 2h".

15 **6.** Page 2, line 13: after that line insert:

16 **SECTION 2i.** 71.28 (3g) (bm) of the statutes is created to read:

17 71.28 (3g) (bm) For credits computed based on amounts paid or incurred in
18 taxable years beginning after December 31, 2005, if the allowable amount of the
19 claim under this subsection exceeds the income taxes otherwise due on the claimant's
20 income, the amount of the claim that is not used to offset those taxes shall be certified
21 by the department of revenue to the department of administration for payment by
22 check, share draft, or other draft drawn from the appropriation under s. 20.835 (2)
23 (dz).

24 **SECTION 2j.** 71.28 (3g) (c) of the statutes is amended to read:

1 71.28 (3g) (c) Subsection (4) (e), (f), (g), and (h), as it applies to the credit under
 2 sub. (4), applies to the credit under par. (a). For taxable years beginning before
 3 January 1, 2006, sub. (4) (e) and (f), as it applies to the credit under sub. (4), applies
 4 to the credit under par. (a).

5 **SECTION 2k.** 71.30 (3) (eg) of the statutes is repealed.

6 **SECTION 2L.** 71.30 (3) (emb) of the statutes is repealed.

7 **SECTION 2m.** 71.30 (3) (eom) of the statutes is repealed.

8 **SECTION 2n.** 71.30 (3) (eon) of the statutes is repealed.

9 **SECTION 2p.** 71.30 (3) (f) of the statutes is amended to read:

10 71.30 (3) (f) The total of development zones investment credit under s. 71.28
 11 (1di), development zone capital investment credit under s. 71.28 (1dm), development
 12 zones credit under s. 71.28 (1dx), farmers' drought property tax credit under s. 71.28
 13 (1fd), farmland preservation credit under subch. IX, farmland tax relief credit under
 14 s. 71.28 (2m), technology zones credit under s. 71.28 (3g), and estimated tax
 15 payments under s. 71.29.

16 **SECTION 3b.** 71.47 (1di) (c) of the statutes is amended to read:

17 71.47 (1di) (c) Except as provided in par. (b) 2., the for taxable years beginning
 18 before January 1, 2006, the carry-over provisions of sub. (4) (e) and (f) as they relate
 19 to the credit under that subsection relate to the credit under this subsection and
 20 apply as if the development zone continued to exist.

21 **SECTION 3c.** 71.47 (1di) (gm) of the statutes is created to read:

22 71.47 (1di) (gm) For credits computed based on amounts paid or incurred in
 23 taxable years beginning after December 31, 2005, if the allowable amount of the
 24 claim under this subsection exceeds the income taxes otherwise due on the claimant's
 25 income, the amount of the claim ~~that is not used to offset those taxes~~ shall be certified

because the claimant has no income tax due

because the claimant has no income taxes due

1 by the department of revenue to the department of administration for payment by
2 check, share draft, or other draft drawn from the appropriation under s. 20.835 (2)
3 (dz).

4 **SECTION 3d.** 71.47 (1dm) (gm) of the statutes is created to read:

5 71.47 (1dm) (gm) For credits computed based on amounts paid or incurred in
6 taxable years beginning after December 31, 2005, if the allowable amount of the
7 claim under this subsection exceeds the income taxes otherwise due on the claimant's
8 income, the amount of the claim that is not used to offset those taxes shall be certified
9 by the department of revenue to the department of administration for payment by
10 check, share draft, or other draft drawn from the appropriation under s. 20.835 (2)
11 (dz).

12 **SECTION 3e.** 71.47 (1dm) (h) of the statutes is amended to read:

13 71.47 (1dm) (h) ~~The~~ For taxable years beginning before January 1, 2006, the
14 carry-over provisions of s. 71.28 (4) (e) and (f) as they relate to the credit under s.
15 71.28 (4) relate to the credit under this subsection.

16 **SECTION 3f.** 71.47 (1dx) (dm) of the statutes is created to read:

17 71.47 (1dx) (dm) *Refunds.* For credits computed based on amounts paid or
18 incurred in taxable years beginning after December 31, 2005, if the allowable
19 amount of the claim under this subsection exceeds the income taxes otherwise due
20 on the claimant's income, the amount of the claim ~~that is not used to offset those taxes~~
21 shall be certified by the department of revenue to the department of administration
22 for payment by check, share draft, or other draft drawn from the appropriation under
23 s. 20.835 (2) (dz).

24 **SECTION 3g.** 71.47 (1dx) (e) of the statutes is amended to read:

because the claimant has no income taxes due

1 71.47 (1dx) (e) Administration. Section 71.28 (4) (e) to (g) and (h), as it applies
2 to the credit under s. 71.28 (4), applies to the credit under this subsection. For
3 taxable years beginning before January 1, 2006, s. 71.28 (4) (e) and (f), as it applies
4 to the credit under s. 71.28 (4), applies to the credit under this subsection. Subsection
5 (1dj) (c), as it applies to the credit under sub. (1dj), applies to the credit under this
6 subsection. Claimants shall include with their returns a copy of their certification for
7 tax benefits and a copy of the department of commerce's verification of their
8 expenses."

9 7. Page 2, line 14: delete "SECTION 3" and substitute "SECTION 3h".

10 8. Page 2, line 20: after that line insert:

11 SECTION 3i. 71.47 (3g) (bm) of the statutes is created to read:

12 71.47 (3g) (bm) For credits computed based on amounts paid or incurred in
13 taxable years beginning after December 31, 2005, if the allowable amount of the
14 claim under this subsection exceeds the income taxes otherwise due on the claimant's
15 income, the amount of the claim that is not used to offset those taxes shall be certified
16 by the department of revenue to the department of administration for payment by
17 check, share draft, or other draft drawn from the appropriation under s. 20.835 (2)
18 (dz).

19 SECTION 3j. 71.47 (3g) (c) of the statutes is amended to read:

20 71.47 (3g) (c) Section 71.28 (4) (e), (f), (g), and (h), as it applies to the credit
21 under s. 71.28 (4), applies to the credit under par. (a). For taxable years beginning
22 before January 1, 2006, s. 71.28 (4) (e) and (f), as it applies to the credit under s. 71.28
23 (4), applies to the credit under par. (a).

24 SECTION 3k. 71.49 (1) (eg) of the statutes is repealed.



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-2457/P1

JK:.....

Jld

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

in 3-21-05

SOON

D-N

Gen

1 AN ACT ...; relating to: allowing refunds for claiming the development zones
2 capital investment tax credit, development zones credit, development
3 opportunity zones credit, technology zones credit and making an appropriation.

Analysis by the Legislative Reference Bureau

Under current law, generally, a person doing business in a development zone may claim certain tax credits based on the person's business activities in the zone. If the amount of credits claimed by the person exceeds the person's tax liability, the state will not issue a refund check, but the person may carry forward any remaining credit to subsequent taxable years. Under this bill, for taxable years beginning after December 31, 2005, if a person who claims credits based on the person's business activities in a development zone has no tax liability, the state will issue a refund check to the person for the amount of the credits.

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:

4 SECTION 1. 20.835 (2) (dz) of the statutes is created to read:
5 20.835 (2) (dz) *Development zones and technology zones credits.* A sum
6 sufficient to make the payments under ss. 71.07 (2di) (gm), (2dm) (gm), (2dx) (dm),

1 and (3g) (bm), 71.28 (1di) (gm), (1dm) (gm), (1dx) (dm), and (3g) (bm), and 71.47 (1di)
2 (gm), (1dm) (gm), (1dx) (dm), and (3g) (bm).

3 **SECTION 2.** 71.07 (2di) (c) of the statutes is amended to read:

4 71.07 (2di) (c) Except as provided in ~~par.~~ pars. (b) 2. and (gm), the carry-over
5 provisions of s. 71.28 (4) (e) and (f) as they relate to the credit under s. 71.28 (4) relate
6 to the credit under this subsection and apply as if the development zone continued
7 to exist.

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27
ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135,
183, 255, 267, 326.

8 **SECTION 3.** 71.07 (2di) (gm) of the statutes is created to read:

9 71.07 (2di) (gm) For credits computed based on amounts paid or incurred in
10 taxable years beginning after December 31, 2005, if the allowable amount of the
11 claim under this subsection exceeds the income taxes otherwise due on the claimant's
12 income because the claimant has no income taxes due, the amount of the claim shall
13 be certified by the department of revenue to the department of administration for
14 payment by check, share draft, or other draft drawn from the appropriation under
15 s. 20.835 (2) (dz).

16 **SECTION 4.** 71.07 (2dm) (gm) of the statutes is created to read:

17 71.07 (2dm) (gm) For credits computed based on amounts paid or incurred in
18 taxable years beginning after December 31, 2005, if the allowable amount of the
19 claim under this subsection exceeds the income taxes otherwise due on the claimant's
20 income because the claimant has no income taxes due, the amount of the claim shall
21 be certified by the department of revenue to the department of administration for
22 payment by check, share draft, or other draft drawn from the appropriation under
23 s. 20.835 (2) (dz).

24 **SECTION 5.** 71.07 (2dm) (h) of the statutes is amended to read:

1 71.07 (2dm) (h) The Except as provided in par. (gm), the carry-over provisions
2 of s. 71.28 (4) (e) and (f) as they relate to the credit under s. 71.28 (4) relate to the
3 credit under this subsection.

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27
ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135,
183, 255, 267, 326.

4 **SECTION 6.** 71.07 (2dx) (dm) of the statutes is created to read:

5 71.07 (2dx) (dm) *Refunds.* For credits computed based on amounts paid or
6 incurred in taxable years beginning after December 31, 2005, if the allowable
7 amount of the claim under this subsection exceeds the income taxes otherwise due
8 on the claimant's income because the claimant has no income taxes due, the amount
9 of the claim shall be certified by the department of revenue to the department of
10 administration for payment by check, share draft, or other draft drawn from the
11 appropriation under s. 20.835 (2) (dz).

12 **SECTION 7.** 71.07 (2dx) (e) of the statutes is amended to read:

13 71.07 (2dx) (e) *Administration.* ~~Section~~ Except as provided in par. (dm), s.
14 71.28 (4) (e) to (h), as it applies to the credit under s. 71.28 (4), applies to the credit
15 under this subsection. Subsection (2dj) (c), as it applies to the credit under sub. (2dj),
16 applies to the credit under this subsection. Claimants shall include with their
17 returns a copy of their certification for tax benefits and a copy of the department of
18 commerce's verification of their expenses.

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27
ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135,
183, 255, 267, 326.

19 **SECTION 8.** 71.07 (3g) (bm) of the statutes is created to read:

20 71.07 (3g) (bm) For credits computed based on amounts paid or incurred in
21 taxable years beginning after December 31, 2005, if the allowable amount of the
22 claim under this subsection exceeds the income taxes otherwise due on the claimant's
23 income because the claimant has no income taxes due, the amount of the claim shall

1 be certified by the department of revenue to the department of administration for
 2 payment by check, share draft, or other draft drawn from the appropriation under
 3 s. 20.835 (2) (dz).

4 **SECTION 9.** 71.07 (3g) (c) of the statutes is amended to read:

5 71.07 (3g) (c) ~~Section~~ Except as provided in par. (bm), s. 71.28 (4) (e), (f), (g),
 6 and (h), as it applies to the credit under s. 71.28 (4), applies to the credit under par.
 7 (a).

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135, 183, 255, 267, 326.

8 **SECTION 10.** 71.28 (1di) (c) of the statutes is amended to read:

9 71.28 (1di) (c) ~~Except as provided in par. (b) 2.~~ and (gm), the carry-over
 10 provisions of sub. (4) (e) and (f) as they relate to the credit under that subsection
 11 relate to the credit under this subsection and apply as if the development zone
 12 continued to exist.

History: 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326.

13 **SECTION 11.** 71.28 (1di) (gm) of the statutes is created to read:

14 71.28 (1di) (gm) For credits computed based on amounts paid or incurred in
 15 taxable years beginning after December 31, 2005, if the allowable amount of the
 16 claim under this subsection exceeds the income taxes otherwise due on the claimant's
 17 income because the claimant has no income taxes due, the amount of the claim shall
 18 be certified by the department of revenue to the department of administration for
 19 payment by check, share draft, or other draft drawn from the appropriation under
 20 s. 20.835 (2) (dz).

21 **SECTION 12.** 71.28 (1dm) (gm) of the statutes is created to read:

22 71.28 (1dm) (gm) For credits computed based on amounts paid or incurred in
 23 taxable years beginning after December 31, 2005, if the allowable amount of the

1 claim under this subsection exceeds the income taxes otherwise due on the claimant's
2 income because the claimant has no income taxes due, the amount of the claim shall
3 be certified by the department of revenue to the department of administration for
4 payment by check, share draft, or other draft drawn from the appropriation under
5 s. 20.835 (2) (dz).

6 **SECTION 13.** 71.28 (1dm) (h) of the statutes is amended to read:

7 71.28 (1dm) (h) The Except as provided in par. (gm), the carry-over provisions
8 of sub. (4) (e) and (f) as they relate to the credit under sub. (4) relate to the credit
9 under this subsection.

History: 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2000 a. 16; 2003 a. 72, 99, 135, 255, 267, 326.

10 **SECTION 14.** 71.28 (1dx) (dm) of the statutes is created to read:

11 71.28 (1dx) (dm) *Refunds.* For credits computed based on amounts paid or
12 incurred in taxable years beginning after December 31, 2005, if the allowable
13 amount of the claim under this subsection exceeds the income taxes otherwise due
14 on the claimant's income because the claimant has no income taxes due, the amount
15 of the claim shall be certified by the department of revenue to the department of
16 administration for payment by check, share draft, or other draft drawn from the
17 appropriation under s. 20.835 (2) (dz).

18 **SECTION 15.** 71.28 (1dx) (e) of the statutes is amended to read:

19 71.28 (1dx) (e) *Administration.* Subsection Except as provided in par. (dm),
20 sub. (4) (e) to (h), as it applies to the credit under sub. (4), applies to the credit under
21 this subsection. Subsection (1dj) (c), as it applies to the credit under sub. (1dj),
22 applies to the credit under this subsection. Claimants shall include with their

1 returns a copy of their certification for tax benefits and a copy of the department of
2 commerce's verification of their expenses.

History: 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326.

3 **SECTION 16.** 71.28 (3g) (bm) of the statutes is created to read:

4 71.28 (3g) (bm) For credits computed based on amounts paid or incurred in
5 taxable years beginning after December 31, 2005, if the allowable amount of the
6 claim under this subsection exceeds the income taxes otherwise due on the claimant's
7 income because the claimant has no income taxes due, the amount of the claim shall
8 be certified by the department of revenue to the department of administration for
9 payment by check, share draft, or other draft drawn from the appropriation under
10 s. 20.835 (2) (dz).

11 **SECTION 17.** 71.28 (3g) (c) of the statutes is amended to read:

12 71.28 (3g) (c) Subsection Except as provided in par. (bm), sub. (4) (e), (f), (g),
13 and (h), as it applies to the credit under sub. (4), applies to the credit under par. (a).

History: 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326.

14 **SECTION 18.** 71.47 (1di) (c) of the statutes is amended to read:

15 71.47 (1di) (c) Except as provided in ~~par.~~ pars. (b) 2. and (gm), the carry-over
16 provisions of sub. (4) (e) and (f) as they relate to the credit under that subsection
17 relate to the credit under this subsection and apply as if the development zone
18 continued to exist.

History: 1987 a. 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326.

19 **SECTION 19.** 71.47 (1di) (gm) of the statutes is created to read:

20 71.47 (1di) (gm) For credits computed based on amounts paid or incurred in
21 taxable years beginning after December 31, 2005, if the allowable amount of the
22 claim under this subsection exceeds the income taxes otherwise due on the claimant's
23 income because the claimant has no income taxes due, the amount of the claim shall

1 be certified by the department of revenue to the department of administration for
2 payment by check, share draft, or other draft drawn from the appropriation under
3 s. 20.835 (2) (dz).

4 **SECTION 20.** 71.47 (1dm) (gm) of the statutes is created to read:

5 71.47 (1dm) (gm) For credits computed based on amounts paid or incurred in
6 taxable years beginning after December 31, 2005, if the allowable amount of the
7 claim under this subsection exceeds the income taxes otherwise due on the claimant's
8 income because the claimant has no income taxes due, the amount of the claim shall
9 be certified by the department of revenue to the department of administration for
10 payment by check, share draft, or other draft drawn from the appropriation under
11 s. 20.835 (2) (dz).

12 **SECTION 21.** 71.47 (1dm) (h) of the statutes is amended to read:

13 71.47 (1dm) (h) ~~The~~ Except as provided in par. (gm), the carry-over provisions
14 of s. 71.28 (4) (e) and (f) as they relate to the credit under s. 71.28 (4) relate to the
15 credit under this subsection.

History: 1987 a. 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 426.

16 **SECTION 22.** 71.47 (1dx) (dm) of the statutes is created to read:

17 71.47 (1dx) (dm) *Refunds.* For credits computed based on amounts paid or
18 incurred in taxable years beginning after December 31, 2005, if the allowable
19 amount of the claim under this subsection exceeds the income taxes otherwise due
20 on the claimant's income because the claimant has no income taxes due, the amount
21 of the claim shall be certified by the department of revenue to the department of
22 administration for payment by check, share draft, or other draft drawn from the
23 appropriation under s. 20.835 (2) (dz).

24 **SECTION 23.** 71.47 (1dx) (e) of the statutes is amended to read:

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

LRB-2457/P1dn

JK:.....

Jld

Representative Davis:

Please review this draft carefully to ensure that it is consistent with your intent. ✓

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

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

LRB-2457/P1dn
JK:jld:rs

March 22, 2005

Representative Davis:

Please review this draft carefully to ensure that it is consistent with your intent.

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



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-2457/P1

JK:jld:rs

P2
E/KJF/wg
RM not K

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

in 3-29-05
due thru 3-31
re gen

D-2

1 AN ACT *to amend* 71.07 (2di) (c), 71.07 (2dm) (h), 71.07 (2dx) (e), 71.07 (3g) (c),
2 71.28 (1di) (c), 71.28 (1dm) (h), 71.28 (1dx) (e), 71.28 (3g) (c), 71.47 (1di) (c), 71.47
3 (1dm) (h), 71.47 (1dx) (e) and 71.47 (3g) (c); and *to create* 20.835 (2) (dz), 71.07
4 (2di) (gm), 71.07 (2dm) (gm), 71.07 (2dx) (dm), 71.07 (3g) (bm), 71.28 (1di) (gm),
5 71.28 (1dm) (gm), 71.28 (1dx) (dm), 71.28 (3g) (bm), 71.47 (1di) (gm), 71.47
6 (1dm) (gm), 71.47 (1dx) (dm) and 71.47 (3g) (bm) of the statutes; **relating to:**
7 ~~allowing refunds for~~ claiming the development zones capital investment tax
8 credit, development zones credit, development opportunity zones credit, or
9 technology zones credit and making an appropriation.

Analysis by the Legislative Reference Bureau

Under current law, generally, a person doing business in a development zone may claim certain tax credits based on the person's business activities in the zone. If the amount of credits claimed by the person exceeds the person's tax liability, the state will not issue a refund check, but the person may carry forward any remaining credit to subsequent taxable years. Under this bill, for taxable years beginning after December 31, 2005, if a person who claims credits based on the person's business activities in a development zone has no tax liability, the state will issue a refund check to the person for the amount of the credits.

DOA:.....Percy, BB0091 - Claiming tax credits under the community,
enterprise, and agricultural development zones

FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

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

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

Under current law, a taxpayer may claim income and franchise tax credits based, generally, on the taxpayer's business activities in a location designated by the Department of Commerce as a development zone, opportunity zone, enterprise zone, or agricultural development zone. The taxpayer may claim the credits against the taxes imposed on the income derived from the taxpayer's business activities in the development zone, opportunity zone, enterprise zone, or agricultural development zone. Under this bill, generally, the taxpayer may claim the credits against the taxes imposed on all of the taxpayer's Wisconsin income.

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:

2 SECTION 1. 20.835 (2) (cL) of the statutes is amended to read:

1 20.835 (2) (cL) *Development zones location credit*. A sum sufficient to make the
2 payments under ss. 71.07 (2dL) (c) 2., 71.28 (1dL) (c) 2., and 71.47 (1dL) (c) 2.

3 **SECTION 2.** 71.07 (2di) (b) 1. of the statutes is repealed.

4 **SECTION 3.** 71.07 (2dL) (c) 1. of the statutes is repealed.

5 **SECTION 4.** 71.07 (2dL) (c) 2. of the statutes is renumbered 71.07 (2dL) (c).

6 **SECTION 5.** 71.07 (2dL) (d) of the statutes is amended to read:

7 71.07 (2dL) (d) Except as provided in par. (c) 2., the carry-over provisions of
8 s. 71.28 (4) (e) and (f) as they relate to the credit under s. 71.28 (4) relate to the credit
9 under this subsection and apply as if the development zone continued to exist.

10 **SECTION 6.** 71.07 (2dm) (hm) of the statutes is amended to read:

11 71.07 (2dm) (hm) ~~Credits claimed~~ A claimant may claim the credit under this
12 subsection, including any credits carried over, ~~may be offset only~~ against the amount
13 of the tax otherwise due under this subchapter ~~attributable to income from the~~
14 ~~business operations of the claimant in the development zone; except that a claimant~~
15 ~~in a development zone under s. 560.795 (1) (e) may offset credits, including any~~
16 ~~credits carried over, against the amount of the tax otherwise due under this~~
17 ~~subchapter attributable to all of the claimant's income and against the tax~~
18 ~~attributable to income from directly related business operations of the claimant.~~

19 **SECTION 7.** 71.07 (2dx) (b) (intro.) of the statutes is amended to read:

20 71.07 (2dx) (b) *Credit*. (intro.) Except as provided in pars. (be) and (bg) and
21 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person
22 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3),
23 560.797 (4) or 560.798 (3), any person may claim as a credit against the taxes imposed
24 ~~on the person's income from the person's business activities in a development zone~~
25 otherwise due under this chapter the following amounts:

1 **SECTION 8.** 71.28 (1di) (b) 1. of the statutes is repealed.

2 **SECTION 9.** 71.28 (1dL) (c) 1. of the statutes is repealed.

3 **SECTION 10.** 71.28 (1dL) (c) 2. of the statutes is renumbered 71.28 (1dL) (c).

4 **SECTION 11.** 71.28 (1dL) (d) of the statutes is amended to read:

5 71.28 (1dL) (d) Except as provided in par. (c) 2., the carry-over provisions of
6 sub. (4) (e) and (f) as they relate to the credit under that subsection relate to the credit
7 under this subsection and apply as if the development zone continued to exist.

8 **SECTION 12.** 71.28 (1dm) (hm) of the statutes is amended to read:

9 71.28 (1dm) (hm) ~~Credits claimed~~ A claimant may claim the credit under this
10 subsection, including any credits carried over, may be offset only against the amount
11 of the tax otherwise due under this subchapter attributable to income from the
12 business operations of the claimant in the development zone; except that a claimant
13 in a development zone under s. 560.795 (1) (e) may offset credits, including any
14 credits carried over, against the amount of the tax otherwise due under this
15 subchapter attributable to all of the claimant's income and against the tax
16 attributable to income from directly related business operations of the claimant.

17 **SECTION 13.** 71.28 (1dx) (b) (intro.) of the statutes is amended to read:

18 71.28 (1dx) (b) *Credit.* (intro.) Except as provided in pars. (be) and (bg) and
19 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person
20 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3),
21 560.797 (4) or 560.798 (3), any person may claim as a credit against the taxes imposed
22 ~~on the person's income from the person's business activities in a development zone~~
23 otherwise due under this chapter the following amounts:

24 **SECTION 14.** 71.47 (1di) (b) 1. of the statutes is repealed.

25 **SECTION 15.** 71.47 (1dL) (c) 1. of the statutes is repealed.

1 SECTION 16. 71.47 (1dL) (c) 2. of the statutes is renumbered 71.47 (1dL) (c).

2 SECTION 17. 71.47 (1dL) (d) of the statutes is amended to read:

3 71.47 (1dL) (d) Except as provided in par. (c) 2., the carry-over provisions of
4 sub. (4) (e) and (f) as they relate to the credit under that subsection relate to the credit
5 under this subsection and apply as if the development zone continued to exist.

6 SECTION 18. 71.47 (1dm) (hm) of the statutes is amended to read:

7 71.47 (1dm) (hm) ~~Credits claimed~~ A claimant may claim the credit under this
8 subsection, including any credits carried over, ~~may be offset only~~ against the amount
9 of the tax otherwise due under this subchapter ~~attributable to income from the~~
10 ~~business operations of the claimant in the development zone; except that a claimant~~
11 ~~in a development zone under s. 560.795 (1) (e) may offset credits, including any~~
12 ~~credits carried over, against the amount of the tax otherwise due under this~~
13 ~~subchapter attributable to all of the claimant's income; and against the tax~~
14 ~~attributable to income from directly related business operations of the claimant.~~

15 SECTION 19. 71.47 (1dx) (b) (intro.) of the statutes is amended to read:

16 71.47 (1dx) (b) *Credit.* (intro.) Except ~~or as~~ provided in pars. (be) and (bg) and
17 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person
18 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3),
19 560.797 (4) or 560.798 (3), any person may claim as a credit against the taxes imposed
20 ~~on the person's income from the person's business activities in a development zone~~
21 otherwise due under this chapter the following amounts:

22 SECTION ~~9341~~ [#] Initial applicability/revenue.

23 (1) ~~CLAIMING DEVELOPMENT ZONE CREDITS. The treatment of sections 20.835 (2)~~

24 ~~(cL), 71.07 (2di) (b) 1., (2dL) (c) 1. and 2. and (d), (2dm) (hm), and (2dx) (b) (intro.),~~

25 ~~71.28 (1di) (b) 1., (1dL) (c) 1. and 2. and (d), (1dm) (hm), and (1dx) (b) (intro.), and~~

*no 4
of this act*

1 ~~71.47 (1di) (b) 1., (1dL) (c) 1. and 2. and (d), (1dm) (hm), and (1dx) (b) (intro.) of the~~
 2 ~~statutes first applies to credits claimed for taxable years beginning on January 1,~~
 3 ~~2005, including unused credits carried forward from prior years to taxable years~~
 4 ~~beginning on January 1, 2005, except that if this subsection takes effect after July~~
 5 ~~31, the treatment of sections 20.835 (2) (cL), 71.07 (2di) (b) 1., (2dL) (c) 1. and 2. and~~
 6 ~~(d), (2dm) (hm), and (2dx) (b) (intro.), 71.28 (1di) (b) 1., (1dL) (c) 1. and 2. and (d),~~
 7 ~~(1dm) (hm), and (1dx) (b) (intro.), and 71.47 (1di) (b) 1., (1dL) (c) 1. and 2. and (d),~~
 8 ~~(1dm) (hm), and (1dx) (b) (intro.) of the statutes first applies to credits claimed for~~
 9 ~~taxable years beginning on January 1 of the year following the year in which this~~
 10 ~~subsection takes effect, including unused credits carried forward from prior years to~~
 11 ~~taxable years beginning on January 1 of the year in which this subsection takes~~
 12 ~~effect.~~

4

(circled)
~~the treatment of sections 20.835 (2) (cL), 71.07 (2di) (b) 1., (2dL) (c) 1. and 2. and (d), (2dm) (hm), and (2dx) (b) (intro.), 71.28 (1di) (b) 1., (1dL) (c) 1. and 2. and (d), (1dm) (hm), and (1dx) (b) (intro.), and 71.47 (1di) (b) 1., (1dL) (c) 1. and 2. and (d), (1dm) (hm), and (1dx) (b) (intro.) of the statutes~~

this act

(END)

*note
↓*

2457/P2
JK:jld

P-N

Davis

Representative Davis:

Please review this draft carefully to ensure that it is consistent with your intent. This draft is identical to the provisions contained in the executive budget bill related to claiming the development zones credits.

JK

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

LRB-2457/P2dn
JK:jld:rs

March 29, 2005

Representative Davis:

Please review this draft carefully to ensure that it is consistent with your intent. This draft is identical to the provisions contained in the executive budget bill related to claiming the development zones credits.

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



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-2457/P2
JK:jld/kjf/wlj:rs

4 stays
MWR

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

in 4-12-05

Today

Regen

1 AN ACT *to repeal* 71.07 (2di) (b) 1., 71.07 (2dL) (c) 1., 71.28 (1di) (b) 1., 71.28 (1dL)

2 (c) 1., 71.47 (1di) (b) 1. and 71.47 (1dL) (c) 1.; *to renumber* 71.07 (2dL) (c) 2.,

3 71.28 (1dL) (c) 2. and 71.47 (1dL) (c) 2.; and *to amend* 20.835 (2) (cL), 71.07

4 (2dL) (d), 71.07 (2dm) (hm), 71.07 (2dx) (b) (intro.), 71.28 (1dL) (d), 71.28 (1dm)

5 (hm), 71.28 (1dx) (b) (intro.), 71.47 (1dL) (d), 71.47 (1dm) (hm) and 71.47 (1dx)

6 (b) (intro.) of the statutes; **relating to:** claiming the development zones capital

7 investment tax credit, development zones credit, development opportunity

8 zones credit, or technology zones credit.

Analysis by the Legislative Reference Bureau

Under current law, a taxpayer may claim income and franchise tax credits based, generally, on the taxpayer's business activities in a location designated by the Department of Commerce as a development zone, opportunity zone, enterprise zone, or agricultural development zone. The taxpayer may claim the credits against the taxes imposed on the income derived from the taxpayer's business activities in the development zone, opportunity zone, enterprise zone, or agricultural development zone. Under this bill, generally, the taxpayer may claim the credits against the taxes imposed on all of the taxpayer's Wisconsin income.

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.** 20.835 (2) (cL) of the statutes is amended to read:

2 20.835 (2) (cL) *Development zones location credit.* A sum sufficient to make the
3 payments under ss. 71.07 (2dL) (c) 2., 71.28 (1dL) (c) 2., and 71.47 (1dL) (c) 2.

4 **SECTION 2.** 71.07 (2di) (b) 1. of the statutes is repealed.

5 **SECTION 3.** 71.07 (2dL) (c) 1. of the statutes is repealed.

6 **SECTION 4.** 71.07 (2dL) (c) 2. of the statutes is renumbered 71.07 (2dL) (c).

7 **SECTION 5.** 71.07 (2dL) (d) of the statutes is amended to read:

8 71.07 (2dL) (d) Except as provided in par. (c) 2., the carry-over provisions of
9 s. 71.28 (4) (e) and (f) as they relate to the credit under s. 71.28 (4) relate to the credit
10 under this subsection and apply as if the development zone continued to exist.

11 **SECTION 6.** 71.07 (2dm) (hm) of the statutes is amended to read:

12 71.07 (2dm) (hm) ~~Credits claimed~~ A claimant may claim the credit under this
13 subsection, including any credits carried over, ~~may be offset only~~ against the amount
14 of the tax otherwise due under this subchapter ~~attributable to income from the~~
15 ~~business operations of the claimant in the development zone; except that a claimant~~
16 ~~in a development zone under s. 560.795 (1) (e) may offset credits, including any~~
17 ~~credits carried over, against the amount of the tax otherwise due under this~~
18 ~~subchapter attributable to all of the claimant's income and against the tax~~
19 ~~attributable to income from directly related business operations of the claimant.~~

20 **SECTION 7.** 71.07 (2dx) (b) (intro.) of the statutes is amended to read:

1 71.07 (2dx) (b) *Credit*. (intro.) Except as provided in pars. (be) and (bg) and
2 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person
3 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3),
4 560.797 (4) or 560.798 (3), any person may claim as a credit against the taxes imposed
5 ~~on the person's income from the person's business activities in a development zone~~
6 otherwise due under this chapter the following amounts:

7 **SECTION 8.** 71.28 (1di) (b) 1. of the statutes is repealed.

8 **SECTION 9.** 71.28 (1dL) (c) 1. of the statutes is repealed.

9 **SECTION 10.** 71.28 (1dL) (c) 2. of the statutes is renumbered 71.28 (1dL) (c).

10 **SECTION 11.** 71.28 (1dL) (d) of the statutes is amended to read:

11 71.28 (1dL) (d) Except as provided in par. (c) 2., the carry-over provisions of
12 sub. (4) (e) and (f) as they relate to the credit under that subsection relate to the credit
13 under this subsection and apply as if the development zone continued to exist.

14 **SECTION 12.** 71.28 (1dm) (hm) of the statutes is amended to read:

15 71.28 (1dm) (hm) ~~Credits claimed~~ A claimant may claim the credit under this
16 subsection, including any credits carried over, ~~may be offset only~~ against the amount
17 of the tax otherwise due under this subchapter ~~attributable to income from the~~
18 ~~business operations of the claimant in the development zone; except that a claimant~~
19 ~~in a development zone under s. 560.795 (1) (e) may offset credits, including any~~
20 ~~credits carried over, against the amount of the tax otherwise due under this~~
21 ~~subchapter attributable to all of the claimant's income and against the tax~~
22 ~~attributable to income from directly related business operations of the claimant.~~

23 **SECTION 13.** 71.28 (1dx) (b) (intro.) of the statutes is amended to read:

24 71.28 (1dx) (b) *Credit*. (intro.) Except as provided in pars. (be) and (bg) and
25 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person

1 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3),
2 560.797 (4) or 560.798 (3), any person may claim as a credit against the taxes imposed
3 on the person's income from the person's business activities in a development zone
4 otherwise due under this chapter the following amounts:

5 **SECTION 14.** 71.47 (1di) (b) 1. of the statutes is repealed.

6 **SECTION 15.** 71.47 (1dL) (c) 1. of the statutes is repealed.

7 **SECTION 16.** 71.47 (1dL) (c) 2. of the statutes is renumbered 71.47 (1dL) (c).

8 **SECTION 17.** 71.47 (1dL) (d) of the statutes is amended to read:

9 71.47 (1dL) (d) Except as provided in par. (c) 2., the carry-over provisions of
10 sub. (4) (e) and (f) as they relate to the credit under that subsection relate to the credit
11 under this subsection and apply as if the development zone continued to exist.

12 **SECTION 18.** 71.47 (1dm) (hm) of the statutes is amended to read:

13 71.47 (1dm) (hm) ~~Credits claimed~~ A claimant may claim the credit under this
14 subsection, including any credits carried over, ~~may be offset only~~ against the amount
15 of the tax otherwise due under this subchapter ~~attributable to income from the~~
16 ~~business operations of the claimant in the development zone; except that a claimant~~
17 ~~in a development zone under s. 560.795 (1) (e) may offset credits, including any~~
18 ~~credits carried over, against the amount of the tax otherwise due under this~~
19 ~~subchapter attributable to all of the claimant's income; and against the tax~~
20 ~~attributable to income from directly related business operations of the claimant.~~

21 **SECTION 19.** 71.47 (1dx) (b) (intro.) of the statutes is amended to read:

22 71.47 (1dx) (b) *Credit.* (intro.) Except ~~or~~ as provided in pars. (be) and (bg) and
23 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person
24 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3),
25 560.797 (4) or 560.798 (3), any person may claim as a credit against the taxes imposed

1 ~~on the person's income from the person's business activities in a development zone~~
2 otherwise due under this chapter the following amounts:

3 **SECTION 20. Initial applicability.**

4 (1) This act first applies to credits claimed for taxable years beginning on
5 January 1, 2005, including unused credits carried forward from prior years to
6 taxable years beginning on January 1, 2005, except that, if this subsection takes
7 effect after July 31, this act first applies to credits claimed for taxable years
8 beginning on January 1 of the year following the year in which this subsection takes
9 effect, including unused credits carried forward from prior years to taxable years
10 beginning on January 1 of the year in which this subsection takes effect.

11 (END)

Kreye, Joseph

From: Bacher, Luke
Sent: Thursday, April 28, 2005 9:44 AM
To: Kreye, Joseph
Subject: LRB 2457 Changes

Joe -

I have attached some changes to allow partnerships to claim and use the tax credits for LRB 2457.

This is urgent, so if we could have the new version by today, that would be perfect!

Thank you.

Luke Bacher
Legislative Assistant
Office of State Representative Brett Davis
(608)-266-1192
Toll Free: 888-534-0080
Luke.Bacher@legis.state.wi.us



05 budget language
chanes.doc

Thanks for sending this over. The language included appears to be fine. However, Carol and I think that there needs to be additional language to allow partnerships to offset any income. The budget language needs this change, too.

Specifically, with the same effective date:

Amend the development zones investment credit in sections ~~71.07 (2di)(b)3, 71.28 (1di)(b)3~~ and 71.47 (1di)(b)3 as follows:

3. Partnerships, limited liability companies and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and amount of, that credit shall be determined on the basis of their economic activity, not that of their shareholders, partners or members. The corporation, partnership or company shall compute the amount of the credit that may be claimed by each of its shareholders, partners or members and shall provide that information to each of its shareholders, partners or members. Partners, members of limited liability companies and shareholders of tax-option corporations may claim the credit based on the partnership's, company's or corporation's activities in proportion to their ownership interest and may offset it against the tax attributable to their income from the partnership's, company's or corporation's business operations, ~~in the development zone; except that partners, members, and shareholders in a development zone under s. 560.795 (1) (c) may offset the credit against the amount of the tax attributable to their income from all of the partnership's, company's, or corporation's business operations; and against the tax attributable to their income from the partnership's, company's or corporation's directly related business operations.~~

Amend the development zones location credit in sections ~~71.07 (2dL)(c), 71.28 (1dL)(e)~~ and 71.47 (1dL)(e) as follows:

(e) Partnerships, limited liability companies and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of, that credit shall be determined on the basis of their economic activity, not that of their shareholders, partners or members. The corporation, partnership or limited liability company shall compute the amount of credit that may be claimed by each of its shareholders, partners or members and provide that information to its shareholders, partners or members. Partners, members of limited liability companies and shareholders of tax-option corporations may claim the credit based on the partnership's, company's or corporation's activities in proportion to their ownership interest and may offset it against the tax attributable to their income from the partnership's, company's or corporation's business operations, ~~in the development zone and against the tax attributable to their income from the partnership's, company's or corporation's directly related business operations.~~

Amend the development zone capital investment credit in sections ~~71.07 (2dm)(i), 71.28 (1dm)(i)~~ and 71.47 (1dm)(i) as follows:

(i) Partnerships, limited liability companies, and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of, that credit shall be determined on the basis of their economic activity, not that of their shareholders, partners, or members. The corporation, partnership, or limited liability company shall compute the amount of credit that may be claimed by each of its shareholders, partners, or members and provide that information to its shareholders, partners, or members. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit based on the partnership's, company's, or corporation's activities in proportion to their ownership interest and may offset it against the tax attributable to their income from the partnership's, company's, or corporation's business operations, ~~in the development zone; except that partners, members, and shareholders in a development zone under s. 560.795 (1) (e) may offset the credit against the amount of the tax attributable to their income.~~

Amend the development zone credit in sections ~~71.07 (2dx)(bc), 71.28 (1dx)(bc)~~² and 71.47 (1dx)(be) as follows:

(be) *Offset.* A claimant in a development zone under s. 560.795 (1) (e) may offset any credits claimed under this subsection, including any credits carried over, against the amount of the tax otherwise due under this subchapter attributable to all of the claimant's income, ~~and against the tax attributable to income from directly related business operations of the claimant.~~

Amend the development zone credit in sections ~~71.07 (2dx)(b), 71.28 (1dx)(b)~~ and 71.47 (1dx)(b) as follows:

(b) *Credit.* Except as provided in pars. (be) and (bg) and in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3), 560.797 (4) or 560.798 (3), any person may claim as a credit against taxes imposed on the person's income ~~from the person's business activities in a development zone under this subchapter~~ the following amounts:



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-2457/1
JK:jld/kjf/wlj:pg

RM

2005 BILL

in 4-28-05
Today

- re gen

1 AN ACT *to repeal* 71.07 (2di) (b) 1., 71.07 (2dL) (c) 1., 71.28 (1di) (b) 1., 71.28 (1dL)
2 (c) 1., 71.47 (1di) (b) 1. and 71.47 (1dL) (c) 1.; *to renumber* 71.07 (2dL) (c) 2.,
3 71.28 (1dL) (c) 2. and 71.47 (1dL) (c) 2.; and *to amend* 20.835 (2) (cL), 71.07
4 (2dL) (d), 71.07 (2dm) (hm), 71.07 (2dx) (b) (intro.), 71.28 (1dL) (d), 71.28 (1dm)
5 (hm), 71.28 (1dx) (b) (intro.), 71.47 (1dL) (d), 71.47 (1dm) (hm) and 71.47 (1dx)
6 (b) (intro.) of the statutes; **relating to:** claiming the development zones capital
7 investment tax credit, development zones credit, development opportunity
8 zones credit, or technology zones credit.

Analysis by the Legislative Reference Bureau

Under current law, a taxpayer may claim income and franchise tax credits based, generally, on the taxpayer's business activities in a location designated by the Department of Commerce as a development zone, opportunity zone, enterprise zone, or agricultural development zone. The taxpayer may claim the credits against the taxes imposed on the income derived from the taxpayer's business activities in the development zone, opportunity zone, enterprise zone, or agricultural development zone. Under this bill, generally, the taxpayer may claim the credits against the taxes imposed on all of the taxpayer's Wisconsin income.

BILL

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.** 20.835 (2) (cL) of the statutes is amended to read:
2 20.835 (2) (cL) *Development zones location credit.* A sum sufficient to make the
3 payments under ss. 71.07 (2dL) (c) 2., 71.28 (1dL) (c) 2., and 71.47 (1dL) (c) 2.

4 **SECTION 2.** 71.07 (2di) (b) 1. of the statutes is repealed.

5 **SECTION 3.** 71.07 (2dL) (c) 1. of the statutes is repealed.

6 **SECTION 4.** 71.07 (2dL) (c) 2. of the statutes is renumbered 71.07 (2dL) (c).

7 **SECTION 5.** 71.07 (2dL) (d) of the statutes is amended to read:

8 71.07 (2dL) (d) Except as provided in par. (c) 2., the carry-over provisions of
9 s. 71.28 (4) (e) and (f) as they relate to the credit under s. 71.28 (4) relate to the credit
10 under this subsection and apply as if the development zone continued to exist.

11 **SECTION 6.** 71.07 (2dm) (hm) of the statutes is amended to read:

12 71.07 (2dm) (hm) ~~Credits-claimed~~ A claimant may claim the credit under this
13 subsection, including any credits carried over, ~~may be offset only~~ against the amount
14 of the tax otherwise due under this subchapter ~~attributable to income from the~~
15 ~~business operations of the claimant in the development zone; except that a claimant~~
16 ~~in a development zone under s. 560.795 (1) (e) may offset credits, including any~~
17 ~~credits carried over, against the amount of the tax otherwise due under this~~
18 ~~subchapter attributable to all of the claimant's income and against the tax~~
19 ~~attributable to income from directly related business operations of the claimant.~~

20 **SECTION 7.** 71.07 (2dx) (b) (intro.) of the statutes is amended to read:

✓
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BILL

1 71.07 (2dx) (b) *Credit*. (intro.) Except as provided in pars. (be) and (bg) and
 2 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person
 3 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3),
 4 560.797 (4) or 560.798 (3), any person may claim as a credit against the taxes imposed
 5 on the person's income *restore plus text* from the person's business activities in a development zone
 6 otherwise due under this chapter *subchapter* the following amounts:

7 **SECTION 8.** 71.28 (1di) (b) 1. of the statutes is repealed.

8 **SECTION 9.** 71.28 (1dL) (c) 1. of the statutes is repealed.

9 **SECTION 10.** 71.28 (1dL) (c) 2. of the statutes is renumbered 71.28 (1dL) (c).

10 **SECTION 11.** 71.28 (1dL) (d) of the statutes is amended to read:

11 71.28 (1dL) (d) Except as provided in par. (c) 2., the carry-over provisions of
 12 sub. (4) (e) and (f) as they relate to the credit under that subsection relate to the credit
 13 under this subsection and apply as if the development zone continued to exist.

14 **SECTION 12.** 71.28 (1dm) (hm) of the statutes is amended to read:

15 71.28 (1dm) (hm) ~~Credits claimed~~ A claimant may claim the credit under this
 16 subsection, including any credits carried over, ~~may be offset only~~ against the amount
 17 of the tax otherwise due under this subchapter ~~attributable to income from the~~
 18 ~~business operations of the claimant in the development zone; except that a claimant~~
 19 ~~in a development zone under s. 560.795 (1) (e) may offset credits, including any~~
 20 ~~credits carried over, against the amount of the tax otherwise due under this~~
 21 ~~subchapter attributable to all of the claimant's income and against the tax~~
 22 ~~attributable to income from directly related business operations of the claimant.~~

23 **SECTION 13.** 71.28 (1dx) (b) (intro.) of the statutes is amended to read:

24 71.28 (1dx) (b) *Credit*. (intro.) Except as provided in pars. (be) and (bg) and
 25 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person

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1 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3),
2 560.797 (4) or 560.798 (3), any person may claim as a credit against the taxes imposed
3 on the person's income from the person's business activities in a development zone
4 otherwise due under this chapter the following amounts: *subchapter*

restore plain text

restore plain text

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4-5

5 **SECTION 14.** 71.47 (1di) (b) 1. of the statutes is repealed.

6 **SECTION 15.** 71.47 (1dL) (c) 1. of the statutes is repealed.

7 **SECTION 16.** 71.47 (1dL) (c) 2. of the statutes is renumbered 71.47 (1dL) (c).

8 **SECTION 17.** 71.47 (1dL) (d) of the statutes is amended to read:

INSERT
4-11

9 71.47 (1dL) (d) Except as provided in par. (c) 2., the carry-over provisions of
10 sub. (4) (e) and (f) as they relate to the credit under that subsection relate to the credit
11 under this subsection and apply as if the development zone continued to exist.

12 **SECTION 18.** 71.47 (1dm) (hm) of the statutes is amended to read:

13 71.47 (1dm) (hm) ~~Credits claimed~~ A claimant may claim the credit under this
14 subsection, including any credits carried over, ~~may be offset only~~ against the amount
15 of the tax otherwise due under this subchapter ~~attributable to income from the~~
16 ~~business operations of the claimant in the development zone; except that a claimant~~
17 ~~in a development zone under s. 560.795 (1) (e) may offset credits, including any~~
18 ~~credits carried over, against the amount of the tax otherwise due under this~~
19 ~~subchapter attributable to all of the claimant's income; and against the tax~~
20 ~~attributable to income from directly related business operations of the claimant.~~

21 **SECTION 19.** 71.47 (1dx) (b) (intro.) of the statutes is amended to read:

22 71.47 (1dx) (b) *Credit.* (intro.) Except ~~or~~ as provided in pars. (be) and (bg) and
23 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person
24 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3),
25 560.797 (4) or 560.798 (3), any person may claim as a credit against the taxes imposed

restore plain text

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BILL

restored plain text

1 on the person's income from the person's business activities in a development zone

2 ~~otherwise due~~ under this ~~chapter~~ the following amounts: *subchapter*

3 **SECTION 20. Initial applicability.**

4 (1) This act first applies to credits claimed for taxable years beginning on
5 January 1, 2005, including unused credits carried forward from prior years to
6 taxable years beginning on January 1, 2005, except that, if this subsection takes
7 effect after July 31, this act first applies to credits claimed for taxable years
8 beginning on January 1 of the year following the year in which this subsection takes
9 effect, including unused credits carried forward from prior years to taxable years
10 beginning on January 1 of the year in which this subsection takes effect.

11 (END)

Insert
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2005-2006 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

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Insert 2 - 4

1 SECTION 1. 71.07 (2di) (b) 3. of the statutes is amended to read:

2 71.07 (2di) (b) 3. Partnerships, limited liability companies and tax-option
3 corporations may not claim the credit under this subsection, but the eligibility for,
4 and amount of, that credit shall be determined on the basis of their economic activity,
5 not that of their shareholders, partners or members. The corporation, partnership
6 or company shall compute the amount of the credit that may be claimed by each of
7 its shareholders, partners or members and shall provide that information to each of
8 its shareholders, partners or members. Partners, members of limited liability
9 companies and shareholders of tax-option corporations may claim the credit based
10 on the partnership's, company's or corporation's activities in proportion to their
11 ownership interest and may offset it against the tax attributable to their income from
12 the partnership's, company's or corporation's business operations ~~in the~~
13 ~~development zone; except that partners, members, and shareholders in a~~
14 ~~development zone under s. 560.795 (1) (e) may offset the credit against the amount~~
15 ~~of the tax attributable to their income from all of the partnership's, company's, or~~
16 ~~corporation's business operations; and against the tax attributable to their income~~
17 ~~from the partnership's, company's or corporation's directly related business~~
18 operations.

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27
ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135,
183, 255, 267, 326.

Insert 2 - 10

19 SECTION 2. 71.07 (2dL) (e) of the statutes is amended to read:

20 71.07 (2dL) (e) Partnerships, limited liability companies and tax-option
21 corporations may not claim the credit under this subsection, but the eligibility for,

1 and the amount of, that credit shall be determined on the basis of their economic
 2 activity, not that of their shareholders, partners or members. The corporation,
 3 partnership or limited liability company shall compute the amount of credit that may
 4 be claimed by each of its shareholders, partners or members and provide that
 5 information to its shareholders, partners or members. Partners, members of limited
 6 liability companies and shareholders of tax-option corporations may claim the credit
 7 based on the partnership's, company's or corporation's activities in proportion to
 8 their ownership interest and may offset it against the tax attributable to their
 9 income from the partnership's, company's or corporation's business operations ~~in the~~
 10 ~~development zone and against the tax attributable to their income from the~~
 11 ~~partnership's, company's or corporation's directly related business operations.~~

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135, 183, 255, 267, 326.

Insert 2 - 19

12 **SECTION 3.** 71.07 (2dm) (i) of the statutes is amended to read:

13 71.07 (2dm) (i) Partnerships, limited liability companies, and tax-option
 14 corporations may not claim the credit under this subsection, but the eligibility for,
 15 and the amount of, that credit shall be determined on the basis of their economic
 16 activity, not that of their shareholders, partners, or members. The corporation,
 17 partnership, or limited liability company shall compute the amount of credit that
 18 may be claimed by each of its shareholders, partners, or members and provide that
 19 information to its shareholders, partners, or members. Partners, members of limited
 20 liability companies, and shareholders of tax-option corporations may claim the
 21 credit based on the partnership's, company's, or corporation's activities in proportion
 22 to their ownership interest and may offset it against the tax attributable to their

1 income from the partnership's, company's, or corporation's business operations [✓] in the
 2 development zone; ~~except that partners, members, and shareholders in a~~
 3 ~~development zone under s. 560.795 (1) (e) may offset the credit against the amount~~
 4 ~~of the tax attributable to their income.~~

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135, 183, 255, 267, 326.

Insert 3 - 6

5 **SECTION 4.** 71.07 (2dx) (be) [✓] of the statutes is amended to read:
 6 71.07 (2dx) (be) *Offset.* A claimant in a development zone under s. 560.795 (1)
 7 (e) may offset any credits claimed under this subsection, including any credits
 8 carried over, against the amount of the tax otherwise due under this subchapter
 9 attributable to all of the claimant's income ~~and against the tax attributable to income~~
 10 ~~from directly related business operations of the claimant.~~ [✓]

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135, 183, 255, 267, 326.

Insert 3 - 7

11 **SECTION 5.** 71.28 (1di) (b) 3. [✓] of the statutes is amended to read:
 12 71.28 (1di) (b) 3. Partnerships, limited liability companies and tax-option
 13 corporations may not claim the credit under this subsection, but the eligibility for,
 14 and amount of, that credit shall be determined on the basis of their economic activity,
 15 not that of their shareholders, partners or members. The corporation, partnership
 16 or limited liability company shall compute the amount of the credit that may be
 17 claimed by each of its shareholders, partners or members and shall provide that
 18 information to each of its shareholders, partners or members. Partners, members
 19 of limited liability companies and shareholders of tax-option corporations may claim
 20 the credit based on the partnership's, company's or corporation's activities in

1 proportion to their ownership interest and may offset it against the tax attributable
2 to their income from the partnership's, company's or corporation's business
3 operations ~~in the development zone; except that partners, members, and~~
4 ~~shareholders in a development zone under s. 560.795 (1) (e) may offset the credit~~
5 ~~against the amount of the tax attributable to their income from all of the~~
6 ~~partnership's, company's, or corporation's business operations; and against the tax~~
7 ~~attributable to their income from the partnership's, company's or corporation's~~
8 ~~directly related business operations.~~ ✓

History: 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326.

Insert 3 - 13

9 **SECTION 6.** 71.28 (1dL) (e) ✓ of the statutes is amended to read:

10 71.28 (1dL) (e) Partnerships, limited liability companies and tax-option
11 corporations may not claim the credit under this subsection, but the eligibility for,
12 and the amount of, that credit shall be determined on the basis of their economic
13 activity, not that of their shareholders, partners or members. The corporation,
14 partnership or limited liability company shall compute the amount of credit that may
15 be claimed by each of its shareholders, partners or members and provide that
16 information to its shareholders, partners or members. Partners, members of limited
17 liability companies and shareholders of tax-option corporations may claim the credit
18 based on the partnership's, company's or corporation's activities in proportion to
19 their ownership interest and may offset it against the tax attributable to their
20 income from the partnership's, company's or corporation's business operations ✓ ~~in the~~



1 ~~development zone and against the tax attributable to their income from the~~
2 ~~partnership's, company's or corporation's directly related business operations.~~

History: 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326.

Insert 3 - 22

3 **SECTION 7.** 71.28 (1dm) (i) [✓] of the statutes is amended to read:

4 71.28 (1dm) (i) Partnerships, limited liability companies, and tax-option
5 corporations may not claim the credit under this subsection, but the eligibility for,
6 and the amount of, that credit shall be determined on the basis of their economic
7 activity, not that of their shareholders, partners, or members. The corporation,
8 partnership, or limited liability company shall compute the amount of credit that
9 may be claimed by each of its shareholders, partners, or members and provide that
10 information to its shareholders, partners, or members. Partners, members of limited
11 liability companies, and shareholders of tax-option corporations may claim the
12 credit based on the partnership's, company's, or corporation's activities in proportion
13 to their ownership interest and may offset it against the tax attributable to their
14 income from the partnership's, company's, or corporation's business operations [✓] in the
15 ~~development zone; except that partners, members, and shareholders in a~~
16 ~~development zone under s. 560.795 (1) (e) may offset the credit against the amount~~
17 ~~of the tax attributable to their income.~~

History: 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326.

Insert 4 - 4

18 **SECTION 8.** 71.28 (1dx) (be) [✓] of the statutes is amended to read:

19 71.28 (1dx) (be) *Offset.* A claimant in a development zone under s. 560.795 (1)
20 (e) may offset any credits claimed under this subsection, including any credits
21 carried over, against the amount of the tax otherwise due under this subchapter



1 attributable to all of the claimant's income and against the tax attributable to income
2 ~~from directly related business operations of the claimant.~~ ✓

History: 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326.

Insert 4 - 5

3 **SECTION 9.** 71.47 (1di) (b) 3. of the statutes is amended to read: ✓

4 71.47 (1di) (b) 3. Partnerships, limited liability companies and tax-option
5 corporations may not claim the credit under this subsection, but the eligibility for,
6 and amount of, that credit shall be determined on the basis of their economic activity,
7 not that of their shareholders, partners or members. The corporation, partnership
8 or limited liability company shall compute the amount of the credit that may be
9 claimed by each of its shareholders, partners or members and shall provide that
10 information to each of its shareholders, partners or members. Partners, members
11 of limited liability companies and shareholders of tax-option corporations may claim
12 the credit based on the partnership's, company's or corporation's activities in
13 proportion to their ownership interest and may offset it against the tax attributable
14 to their income from the partnership's, company's or corporation's business
15 operations in the development zone; ~~except that a claimant in a development zone~~
16 ~~under s. 560.795 (1) (e) may offset the credit, including any credits carried over,~~
17 ~~against the amount of the tax otherwise due under this chapter attributable to all~~
18 ~~of the claimant's income; and against the tax attributable to their income from the~~
19 ~~partnership's, company's or corporation's directly related business operations.~~

History: 1987 a. 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326.

Insert 4 - 11

20 **SECTION 10.** 71.47 (1dL) (e) of the statutes is amended to read: ✓



1 71.47 (1dL) (e) Partnerships, limited liability companies and tax-option
 2 corporations may not claim the credit under this subsection, but the eligibility for
 3 and the amount of, that credit shall be determined on the basis of their economic
 4 activity, not that of their shareholders, partners or members. The corporation,
 5 partnership or limited liability company shall compute the amount of credit that may
 6 be claimed by each of its shareholders, partners or members and provide that
 7 information to its shareholders, partners or members. Partners, members of limited
 8 liability companies and shareholders of tax-option corporations may claim the credit
 9 based on the partnership's, company's or corporation's activities in proportion to
 10 their ownership interest and may offset it against the tax attributable to their
 11 income from the partnership's, company's or corporation's business operations in the
 12 ~~development zone and against the tax attributable to their income from the~~
 13 ~~partnership's, company's or corporation's directly related business operations.~~

History: 1987 a. 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326.

Insert 4 - 20

14 **SECTION 11.** 71.47 (1dm) (i) of the statutes is amended to read:

15 71.47 (1dm) (i) Partnerships, limited liability companies, and tax-option
 16 corporations may not claim the credit under this subsection, but the eligibility for,
 17 and the amount of, that credit shall be determined on the basis of their economic
 18 activity, not that of their shareholders, partners, or members. The corporation,
 19 partnership, or limited liability company shall compute the amount of credit that
 20 may be claimed by each of its shareholders, partners, or members and provide that
 21 information to its shareholders, partners, or members. Partners, members of limited
 22 liability companies, and shareholders of tax-option corporations may claim the
 23 credit based on the partnership's, company's, or corporation's activities in proportion

1 to their ownership interest and may offset it against the tax attributable to their
2 income from the partnership's, company's, or corporation's business operations [✓] in the
3 ~~development zone; except that partners, members, and shareholders in a~~
4 ~~development zone under s. 560.795 (1) (e) may offset the credit against the amount~~
5 ~~of the tax attributable to their income.~~

History: 1987 a. 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326.

Insert 5 - 2

6 **SECTION 12.** 71.47 (1dx) (be) [✓] of the statutes is amended to read:

7 **71.47 (1dx) (be) Offset.** A claimant in a development zone under s. 560.795 (1)
8 (e) may offset any credits claimed under this subsection, including any credits
9 carried over, against the amount of the tax otherwise due under this subchapter
10 attributable to all of the claimant's income [✓] and ~~against the tax attributable to income~~
11 ~~from directly related business operations of the claimant.~~

History: 1987 a. 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326.