

2007 DRAFTING REQUEST

Bill

Received: **11/10/2006**

Received By: **mshovers**

Wanted: **As time permits**

Identical to LRB:

For: **Steve Wieckert (608) 266-3070**

By/Representing: **Scott**

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

Drafter: **mshovers**

May Contact:

Addl. Drafters: **jkreye
tkuczens**

Subject: **Tax, Individual - income credit
Tax, Business - crp inc, fran
Econ. Development - housing**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Wieckert@legis.wisconsin.gov**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Individual and corporate tax credit for certain WHEFA bonds re: educational facility

Instructions:

Redraft 2005 AB 641 (LRB -3310/1)

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>
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Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

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			12/08/2006 _____		12/08/2006	01/12/2007	

FE Sent For: 12/13/2006, 12/12/2006.

<END>

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/?	mshovers	11/9/f 12/8	nwn 12/8	nwn/PS 12/8			

FE Sent For:

<END>

MEMORANDUM

September 27, 2005

TO: Joseph Kreye
Marc Shovers
Madelon Lief
Legislative Reference Bureau

FROM: Rebecca Boldt
Department of Revenue

SUBJECT: Technical Memorandum on AB 641: Individual and Corporate Income Tax Credit for Certain WHEFA Bonds Re: Educational Facility

Under current federal law, U.S. government obligations are exempt from all state and local taxes except nondiscriminatory franchise taxes. If, as a result of this bill, Wisconsin's franchise tax was determined to be discriminatory because it exempted WHEFA obligations from tax, but not U.S. obligations, the franchise tax could be invalidated. This would substantially increase the fiscal effect of the bill.

The bill requires a pass-through entity to compute the amount of credit allowable to its partners, members, or shareholders. Since these entities are not subject to tax, they do not have a marginal tax rate and therefore cannot compute the amount of the credit. In addition, the marginal tax rate may not be the same for all of the entity's partners, members, or shareholders. As a result, the Department suggests that the language be amended to require the pass-through entity to inform its partners, members, or shareholders of their share of the interest income in proportion to their ownership interest. The partner, member, or shareholder would then multiply the pro rata share of interest by the person's own marginal tax rate.

The title for the credit, "WHEFA Information Technology Bond Tax Credit," seems to be inappropriate since the credit would apply to bonds issued to finance any project undertaken for an educational facility.

The bill would allow the credit for nonresidents. Interest income of nonresidents is not taxable to Wisconsin. The Department suggests allowing the credits to part-year residents, but not to nonresidents, based on the interest income from the bonds that is taxable to Wisconsin so that prorating the credit would not be necessary.

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2005 ASSEMBLY BILL 641

PWF
where
indicated

August 30, 2005 - Introduced by Representatives WIECKERT, JENSEN, NISCHKE, MCCORMICK, MUSSER, VOS, VAN ROY, TOWNSEND, BALLWEG, NASS, LOTHIAN, JESKEWITZ, HINES, OTT and VRAKAS, cosponsored by Senator A. LASEE. Referred to Committee on Colleges and Universities.

repen

1 **AN ACT to renumber** 231.01 (4m) (a) and (b); **to amend** 71.05 (6) (a) 15., 71.21

2 (4), 71.26 (2) (a), 71.34 (1) (g), 77.92 (4), 231.01 (4m) (intro.) and 231.01 (5w); and

3 **to create** 71.07 (6f), 71.10 (4) (cf), 71.28 (6e), 71.30 (3) (dm), 71.47 (6e), 71.49

4 (1) (dm) and 231.01 (4m) (b) of the statutes; **relating to:** creating a

5 nonrefundable individual and corporate income tax credit based on interest

6 received from bonds or notes issued by the Wisconsin Health and Educational

7 Facilities Authority for purposes related to an educational facility and

8 authorizing the Wisconsin Health and Educational Facilities Authority to issue

9 bonds to finance a project undertaken by the Wisconsin Association of

10 Independent Colleges and Universities related to an educational facility.

Analysis by the Legislative Reference Bureau

Under current law, the Wisconsin Health and Educational Facilities Authority (WHEFA) may issue bonds to finance any project undertaken by an educational institution for an educational facility. This bill creates a nonrefundable individual income tax credit for the amount of interest income received by a claimant (an individual, a sole proprietor, a partner of a partnership, a member of a limited

ASSEMBLY BILL 641

liability company, or a shareholder of a tax-option corporation), multiplied by the claimant's marginal tax rate, on bonds issued by WHEFA, on or after the effective date of the bill, to finance any project undertaken for an educational facility.

The bill also creates a nonrefundable corporate income and franchise tax credit, for 7.9 percent of the interest income received by corporations on bonds to which the individual income tax credit applies.

An educational institution is currently defined to mean a corporation, agency, or association that is authorized by state law to provide or operate an educational facility. The bill expands that definition to include the Wisconsin Association of Independent Colleges and Universities. An educational facility is currently defined to mean a private, nonprofit, regionally accredited, postsecondary educational institution. The bill expands that definition to include an institution, place, building, or other structure used by the Wisconsin Association of Independent Colleges and Universities solely for providing one or more supporting services to one or more educational institutions.

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

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

1 **SECTION 1.** 71.05 (6) (a) 15. of the statutes is amended to read:

2 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),
3 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3n), (3s), (3t), (5b), and (5d), and (6e)
4 and not passed through by a partnership, limited liability company, or tax-option
5 corporation that has added that amount to the partnership's, company's, or
6 tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g).

7 **SECTION 2.** 71.07 (6f) of the statutes is created to read:

8 71.07 (6f) WHEFA ~~INFORMATION TECHNOLOGY~~ ^{educational facility} BOND TAX CREDIT. (a) *Definitions.*

9 In this subsection:

10 1. "Bond" means a bond or note issued by the Wisconsin Health and
11 Educational Facilities Authority under s. 231.03 (6) (c), on or after the effective date
12 of this subdivision [revisor inserts date], to finance any project undertaken for an
13 educational facility.

INSERT
2-6

ASSEMBLY BILL 641

1 2. "Claimant" means an individual, a sole proprietor, a partner, a member of
2 a limited liability company, or a shareholder of a tax-option corporation who owns
3 a bond and who files a claim under this subsection.

4 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
5 claimant may claim as a credit against the tax imposed under s. 71.02 up to the
6 amount of those taxes, the interest received from a bond in the taxable year to which
7 the claim under this subsection relates, multiplied by the claimant's marginal tax
8 rate.

9 (c) *Limitations.* 1. No credit may be allowed under this subsection unless it
10 is claimed within the time period under s. 71.75 (2).

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

21 3. Partnerships, limited liability companies, and tax-option corporations may
22 not claim the credit under this subsection, but the eligibility for, and the amount of,
23 the credit are based on their receipt of interest under par. (b). A partnership, limited
24 liability company, or tax-option corporation shall compute the amount of credit that
25 each of its partners, members, or shareholders may claim and shall provide that

ASSEMBLY BILL 641

SECTION 2

1 information to each of them. Partners, members of limited liability companies, and
2 shareholders of tax-option corporations may claim the credit in proportion to their
3 ownership interest.

4 (d) *Administration*. Subsection (9e) (d), to the extent that it applies to the credit
5 under that subsection, applies to the credit under this subsection.

6 **SECTION 3.** 71.10 (4) (cf) of the statutes is created to read:

7 71.10 (4) (cf) The Wisconsin Health and Educational Facilities Authority
8 ~~information technology~~ ^{educational facility} bond tax credit under s. 71.07 (6f).

9 **SECTION 4.** 71.21 (4) of the statutes is amended to read:

10 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
11 (2dj), (2dL), (2dm), (2ds), (2dx), (3g), (3n), (3s), (3t), ~~and (5b), and (6f)~~ and passed
12 through to partners shall be added to the partnership's income.

13 **SECTION 5.** 71.26 (2) (a) of the statutes is amended to read:

14 71.26 (2) (a) *Corporations in general*. The "net income" of a corporation means
15 the gross income as computed under the Internal Revenue Code as modified under
16 sub. (3) minus the amount of recapture under s. 71.28 (1di) plus the amount of credit
17 computed under s. 71.28 (1), (3), (4), and (5) minus, as provided under s. 71.28 (3) (c)
18 7., the amount of the credit under s. 71.28 (3) that the taxpayer added to income
19 under this paragraph at the time that the taxpayer first claimed the credit plus the
20 amount of the credit computed under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm),
21 (1ds), (1dx), (3g), (3n), (3t), ~~and (5b), and (6e)~~ and not passed through by a
22 partnership, limited liability company, or tax-option corporation that has added that
23 amount to the partnership's, limited liability company's, or tax-option corporation's
24 income under s. 71.21 (4) or 71.34 (1) (g) plus the amount of losses from the sale or
25 other disposition of assets the gain from which would be wholly exempt income, as

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1 defined in sub. (3) (L), if the assets were sold or otherwise disposed of at a gain and
 2 minus deductions, as computed under the Internal Revenue Code as modified under
 3 sub. (3), plus or minus, as appropriate, an amount equal to the difference between
 4 the federal basis and Wisconsin basis of any asset sold, exchanged, abandoned, or
 5 otherwise disposed of in a taxable transaction during the taxable year, except as
 6 provided in par. (b) and s. 71.45 (2) and (5).

INSERT
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7 SECTION 6. 71.28 (6) of the statutes is created to read:

8 71.28 (6) WHEFA INFORMATION TECHNOLOGY BOND TAX CREDIT. (a) Definitions.

9 In this subsection:

10 1. "Bond" means a bond or note issued by the Wisconsin Health and
 11 Educational Facilities Authority under s. 231.03 (6), on or after the effective date of
 12 this subdivision ... [revisor inserts date], the proceeds from which are used by a
 13 health facility, as defined in s. 231.01 (5), to fund the acquisition of information
 14 technology hardware or software.

to finance any project undertaken for an educational facility.

15 2. "Claimant" means a corporation that owns a bond and that files a claim
 16 under this subsection.

17 (b) Filing claims. Subject to the limitations provided in this subsection, a
 18 claimant may claim as a credit against the tax imposed under s. 71.23, up to the
 19 amount of those taxes, 7.9 percent of the interest received from a bond in the taxable
 20 year to which the claim under this subsection relates.

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

23 2. Partnerships, limited liability companies, and tax-option corporations may
 24 not claim the credit under this subsection, but the eligibility for, and the amount of,
 25 the credit are based on their receipt of interest under par. (b). A partnership, limited

that may be claimed by each of their partners, members, or shareholders

ASSEMBLY BILL 641

SECTION 6

interest income

1

liability company, or tax-option corporation shall compute the amount of ~~credit~~ that

2

each of its partners, members, or shareholders may claim and shall provide that

3

information to each of them. ~~Partners, members of limited liability companies, and~~

4

~~shareholders of tax-option corporations may claim the credit in proportion to their~~

5

~~ownership interest.~~

based on the proportion of their ownership interest,

6

3. Subsection (4) (e) and (f), to the extent that it applies to the credit under that

7

subsection, applies to the credit under this subsection.

8

(d) *Administration*. Subsection (4) (g), to the extent that it applies to the credit

9

under that subsection, applies to the credit under this subsection.

10

SECTION 7. 71.30 (3) (dm) of the statutes is created to read:

11

71.30 (3) (dm) The Wisconsin Health and Educational Facilities Authority

12

information technology bond credit under s. 71.28 (6e). *6f*

13

SECTION 8. 71.34 (1) (g) of the statutes is amended to read:

14

71.34 (1) (g) An addition shall be made for credits computed by a tax-option

15

corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (3), (3g),

16

(3n), (3t), and (5b), and (6e) and passed through to shareholders.

INSERT 6-16

17

SECTION 9. 71.47 (6e) of the statutes is created to read:

18

71.47 (6e) WHEFA INFORMATION TECHNOLOGY BOND TAX CREDIT. (a) *Definitions*.

19

In this subsection:

20

1. "Bond" means a bond or note issued by the Wisconsin Health and

21

Educational Facilities Authority under s. 231.03 (6), on or after the effective date of

22

this subdivision [revisor inserts date], the proceeds from which are used by a

23

health facility, as defined in s. 231.01 (5), to fund the acquisition of information

24

technology hardware or software.

to finance any project undertaken for an educational facility

ASSEMBLY BILL 641

SECTION 9

that may be claimed by each of their partners, members, or shareholders

1 2. "Claimant" means a corporation that owns a bond and that files a claim
2 under this subsection.

3 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
4 claimant may claim as a credit against the tax imposed under s. 71.43, up to the
5 amount of those taxes, 7.9 percent of the interest received from a bond in the taxable
6 year to which the claim under this subsection relates.

7 (c) *Limitations.* 1. No credit may be allowed under this subsection unless it
8 is claimed within the time period under s. 71.75 (2). *interest income*

9 2. Partnerships, limited liability companies, and tax-option corporations may
10 not claim the credit under this subsection, but the eligibility for, and the amount of,

11 the credit are based on their receipt of interest under par. (b). A partnership, limited
12 liability company, or tax-option corporation shall compute the amount of credit that

13 each of its partners, members, or shareholders may claim and shall provide that
14 information to each of them. ~~Partners, members of limited liability companies, and~~

15 ~~shareholders of tax-option corporations may claim the credit in proportion to their~~
16 ~~ownership interest.~~ *, based on the proportion of their ownership interest,*

17 3. Section 71.28 (4) (e) and (f), to the extent that it applies to the credit under
18 that section, applies to the credit under this subsection.

19 (d) *Administration.* Section 71.28 (4) (g), to the extent that it applies to the
20 credit under that section, applies to the credit under this subsection.

21 **SECTION 10.** 71.49 (1) ~~(dn)~~ *of dn* of the statutes is created to read:

22 71.49 (1) ~~(dn)~~ *of dn* The Wisconsin Health and Educational Facilities Authority
23 ~~information technology bond credit under s. 71.47 (6).~~ *educational facility*

24 **SECTION 11.** 77.92 (4) of the statutes is amended to read ~~2~~

ASSEMBLY BILL 641

SECTION 11

1 ~~77.92 (4) "Net business income," with respect to a partnership, means taxable~~
 2 ~~income as calculated under section 703 of the Internal Revenue Code; plus the items~~
 3 ~~of income and gain under section 702 of the Internal Revenue Code, including taxable~~
 4 ~~state and municipal bond interest and excluding nontaxable interest income or~~
 5 ~~dividend income from federal government obligations; minus the items of loss and~~
 6 ~~deduction under section 702 of the Internal Revenue Code, except items that are not~~
 7 ~~deductible under s. 71.21; plus guaranteed payments to partners under section 707~~
 8 ~~(c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),~~
 9 ~~(2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3s), (3n), (3t), and (5b), and (6f); and~~
 10 ~~plus or minus, as appropriate, transitional adjustments, depreciation differences,~~
 11 ~~and basis differences under s. 71.05 (13), (15), (16), (17), and (19); but excluding~~
 12 ~~income, gain, loss, and deductions from farming. "Net business income," with respect~~
 13 ~~to a natural person, estate, or trust, means profit from a trade or business for federal~~
 14 ~~income tax purposes and includes net income derived as an employee as defined in~~
 15 ~~section 3121 (d) (3) of the Internal Revenue Code.~~

16 **SECTION 12.** 231.01 (4m) (intro.) of the statutes is amended to read:

17 231.01 (4m) (intro.) "Educational facility" means -a- any of the following:

18 (a) ^mA facility used for education by a private institution that is described in
 19 section 501 (c) (3) of the Internal Revenue Code, ~~as defined in s. 71.22 (4), and~~ that
 20 is exempt from federal taxation under section 501 (a) of the Internal Revenue Code,
 21 and that satisfies any of the following:

22 **SECTION 13.** 231.01 (4m) (a) and (b) of the statutes are renumbered 231.01 (4m)

23 (a) 1. and 2.

24 **SECTION 14.** 231.01 (4m) (b) of the statutes is created to read:

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ASSEMBLY BILL 641

1

231.01 (4m) (b) An institution, place, building, or other structure used by the

2

Wisconsin Association of Independent Colleges and Universities solely for providing

3

one or more supporting services to one or more institutions specified in par. (a).

4

SECTION 15. 231.01 (5w) of the statutes is amended to read:

5

231.01 (5w) "Participating educational institution" means the Wisconsin

6

Association of Independent Colleges and Universities or a corporation, agency, or

7

association ~~which~~ that is authorized by state law to provide or operate an educational

8

facility ~~and which,~~ if the Wisconsin Association of Independent Colleges and

9

Universities or the corporation, agency, or association undertakes the financing and

10

construction or acquisition of a project or undertakes the refunding or refinancing

11

of obligations or of a mortgage or of advances as provided in this chapter.

12

SECTION 16. Initial applicability.

13

(1) The treatment of sections 71.05 (6) (a) 15., 71.07 (6f), 71.10 (4) (cf), 71.21 (4),

14

71.26 (2) (a), 71.28 (6e), 71.30 (3) (dm), 71.34 (1) (g), 71.47 (6e), 71.49 (1) (dm), and

15

77.92 (4) of the statutes first applies to taxable years beginning on January 1 of the

16

year in which this subsection takes effect, except that if this subsection takes effect

17

after July 31 the treatment of sections 71.05 (6) (a) 15., 71.07 (6f), 71.10 (4) (cf), 71.21

18

(4), 71.26 (2) (a), 71.28 (6e), 71.30 (3) (dm), 71.34 (1) (g), 71.47 (6e), 71.49 (1) (dm), and

19

77.92 (4) of the statutes first applies to taxable years beginning on January 1 of the

20

year following the year in which this subsection takes effect.

21

(END)

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71.45(2)(a) 10,
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m

(6f)

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dn

Section #. 71.05 (6) (a) 15. of the statutes is amended to read:

✓
and (6f)

X 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3n), (3s), (3t), (3w), (5b), (5d), ~~and~~ (5e), (5f), and (5h) and not passed through by a partnership, limited liability company, or tax-option corporation that has added that amount to the partnership's, company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g).

NOTE: Subd. 15. is shown as affected by 3 acts of the 2005 Wisconsin legislature and as merged by the revisor under s. 13.93 (2) (c). The bracketed "and" was inserted by 2005 Wis. Act 479, but rendered surplusage by 2005 Wis. Act 483. Corrective legislation is pending.

History: 003 a. 85, 99, 119, 135, 183, 255, 289, 321, 326; 2005 a. 22, 25, 216, 254, 335, 361, 479, 483; s. 13.93 (2) (c). 1987 a. 312; 1987 a. 411 ss. 42, 43, 45, 47 to 49, 51 to 53; 1989 a. 31, 46; 1991 a. 2, 37, 39, 269; 1993 a. 16, 112, 204, 263, 437; 1995 a. 27, 56, 209, 227, 261, 371, 403, 453; 1997 a. 27, 35, 39, 237; 1999 a. 9, 32, 44, 54, 65, 167; 2001 a. 16, 104, 105, 109; 2003 a. 85, 99, 119, 135, 183, 255, 289, 321, 326; 2005 a. 22, 25, 216, 254, 335, 361, 479, 483; s. 13.93 (2) (c).

end of insert 2-6

Section #. 71.21 (4) of the statutes is amended to read:

71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dm), (2ds), (2dx), (3g), (3n), (3s), (3t), (3w), (5b), (5e), (5f), (5g), ~~and (5h)~~ and passed through to partners shall be added to the partnership's income. and (6f)

NOTE: ~~Sub. (4) is shown as affected by 4 acts of the 2005 Wisconsin legislature and as merged by the revisor under s. 13.93 (2) (c).~~

1987 a. 312, 411; 1989 a. 31; 1993 a. 112; 1995 a. 27, 400; 1997 a. 27; 2001 a. 16; 2003 a. 99, 135, 255, 326; 2005 a. 74, 361, 479, 483; s. 13.93 (2) (c). 1987 a. 312, 411; 1989 a. 31; 1993 a. 112; 1995 a. 27, 400; 1997 a. 27; 2001 a. 16; 2003 a. 99, 135, 255, 326; 2005 a. 74, 361, 479, 483; s. 13.93 (2) (c).



Section #. 71.26 (2) (a) of the statutes is amended to read:

71.26 (2) (a) *Corporations in general.* The “net income” of a corporation means the gross income as computed under the Internal Revenue Code as modified under sub. (3) minus the amount of recapture under s. 71.28 (1di) plus the amount of credit computed under s. 71.28 (1), (3), (4), and (5) minus, as provided under s. 71.28 (3) (c) 7., the amount of the credit under s. 71.28 (3) that the taxpayer added to income under this paragraph at the time that the taxpayer first claimed the credit plus the amount of the credit computed under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (3g), (3n), (3t), (3w), (5b), (5e), (5f), (5g), ~~and~~ (5h) ^{and (bf)} and not passed through by a partnership, limited liability company, or tax-option corporation that has added that amount to the partnership’s, limited liability company’s, or tax-option corporation’s income under s. 71.21 (4) or 71.34 (1) (g) plus the amount of losses from the sale or other disposition of assets the gain from which would be wholly exempt income, as defined in sub. (3) (L), if the assets were sold or otherwise disposed of at a gain and minus deductions, as computed under the Internal Revenue Code as modified under sub. (3), plus or minus, as appropriate, an amount equal to the difference between the federal basis and Wisconsin basis of any asset sold, exchanged, abandoned, or otherwise disposed of in a taxable transaction during the taxable year, except as provided in par. (b) and s. 71.45 (2) and (5).

NOTE: Par. (a) is shown as affected by 4 acts of the 2005 Wisconsin legislature and as merged by the revisor under s. 13.93 (2) (c).

History: . 194; 2001 a. 16, 38, 106, 109; 2003 a. 33, 85, 99, 135, 255, 326; 2005 a. 25, 74, 335, 361, 362, 479, 483; s. 13.93 (2) (c). 1987 a. 312; 1987 a. 411 ss. 22, 124 to 129; 1989 a. 31, 336; 1991 a. 37, 39, 221, 269; 1993 a. 16, 112, 246, 263, 399, 437, 491; 1995 a. 27, 56, 351, 371, 380, 428; 1997 a. 27, 37, 184, 237; 1999 a. 9, 65; 1999 a. 150 s. 672; 1999 a. 167, 194; 2001 a. 16, 38, 106, 109; 2003 a. 33, 85, 99, 135, 255, 326; 2005 a. 25, 74, 335, 361, 362, 479, 483; s. 13.93 (2) (c).

end of insert 5-6

Insert 6-16

Section #. 71.34 (1) (g) of the statutes is amended to read:

71.34 (1) (g) An addition shall be made for credits computed by a tax-option corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (3), (3g), (3n), (3t), (3w), (5b), (5e), (5f), (5g), ~~and~~ (5h) and passed through to shareholders.

→ (5f), (5g), ~~and~~ (5h) and passed through to shareholders. and (6f)

NOTE: ~~Par. (g) is shown as affected by 4 acts of the 2005 Wisconsin legislature and as merged by the revisor under s. 13.93 (2) (c).~~

History: 987 a. 411 ss. 18, 23, 146; 1989 a. 31, 336; 1991 a. 39, 269; 1993 a. 16, 437; 1995 a. 27, 380, 428; 1997 a. 27, 37, 237; 1999 a. 9, 194; 2001 a. 16, 109; 2003 a. 33, 99, 135, 255, 326; 2005 a. 25, 49, 74, 361, 479, 483; s. 13.93 (2) (c). 1987 a. 312; 1987 a. 411 ss. 18, 23, 146; 1989 a. 31, 336; 1991 a. 39, 269; 1993 a. 16, 437; 1995 a. 27, 380, 428; 1997 a. 27, 37, 237; 1999 a. 9, 194; 2001 a. 16, 109; 2003 a. 33, 99, 135, 255, 326; 2005 a. 25, 49, 74, 361, 479, 483; s. 13.93 (2) (c).



Section #. 71.45 (2) (a) 10. of the statutes is amended to read:

✓
and (6f)

71.45 (2) (a) 10. By adding to federal taxable income the amount of credit computed under s. 71.47 (1dd) to (1dx), (3n), (3w), (5b), (5e), (5f), (5g), ~~and~~ (5h) and not passed through by a partnership, limited liability company, or tax-option corporation that has added that amount to the partnership's, limited liability company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g) and the amount of credit computed under s. 71.47 (1), (3), (3t), (4), and (5).

NOTE: ~~Subd. 10. is shown as affected by 4 acts of the 2005 Wisconsin legislature and as merged by the revisor under s. 13.93 (2) (c).~~

History: 6, 371, 380; 1997 a. 27, 37, 237; 1999 a. 9, 65; 1999 a. 150 s. 672; 1999 a. 167, 194; 2001 a. 16, 38, 109; 2003 a. 37, 85, 99, 135, 255, 326; 2005 a. 74, 297, 335, 361, 479, 483; s. 13.93 (2) (c). 1987 a. 312; 1989 a. 31, 336, 359; 1991 a. 37, 39, 269; 1993 a. 16, 112, 263, 437; 1995 a. 27, 56, 371, 380; 1997 a. 27, 37, 237; 1999 a. 9, 65; 1999 a. 150 s. 672; 1999 a. 167, 194; 2001 a. 16, 38, 109; 2003 a. 37, 85, 99, 135, 255, 326; 2005 a. 74, 297, 335, 361, 479, 483; s. 13.93 (2) (c).

end of insert
6-16

Section #. 77.92 (4) of the statutes is amended to read:

77.92 (4) "Net business income," with respect to a partnership, means taxable income as calculated under section 703 of the Internal Revenue Code; plus the items of income and gain under section 702 of the Internal Revenue Code, including taxable state and municipal bond interest and excluding nontaxable interest income or dividend income from federal government obligations; minus the items of loss and deduction under section 702 of the Internal Revenue Code, except items that are not deductible under s. 71.21; plus guaranteed payments to partners under section 707 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3s), (3n), (3t), (3w), (5b), (5e), (5f), (5g), ~~and (5h)~~ and plus ^{and (6f)} or minus, as appropriate, transitional adjustments, depreciation differences, and basis differences under s. 71.05 (13), (15), (16), (17), and (19); but excluding income, gain, loss, and deductions from farming. "Net business income," with respect to a natural person, estate, or trust, means profit from a trade or business for federal income tax purposes and includes net income derived as an employee as defined in section 3121 (d) (3) of the Internal Revenue Code.

NOTE: Sub. (4) is shown as affected by 4 acts of the 2005 Wisconsin legislature and as merged by the revisor under s. 13.93 (2) (c).

History: 1989 a. 335; 1991 a. 39, 269; 1993 a. 16, 112, 490; 1995 a. 27, 209; 1997 a. 27; 1999 a. 9; 2001 a. 16; 2003 a. 99, 135, 255, 326; 2005 a. 74, 361, 479, 483; s. 13.93 (2) (c).

end of 8-15

Duerst, Christina

From: Field, Adam
Sent: Friday, January 12, 2007 11:12 AM
To: LRB.Legal
Subject: LRB 0703

Attachments: 07-07031.pdf

Please jacket LRB 0703 for introduction. Thanks.



07-07031.pdf (39
KB)

Adam Field
Office of Rep. Steve Wieckert
Wisconsin State Assembly
(608) 266-3070

Memo

To: Senator Representative Wieckert

(The Draft's Requester)

Per your request: ... the attached fiscal estimate was prepared for your unIntroduced 2007 draft.

LRB Number: LRB -0703

Version: " / 1 "

Fiscal Estimate Prepared By: (agency abbr.) WHEFA

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 / 2006

* * * * *

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: 2007 AB 65

Barman, Mike

From: Barman, Mike
Sent: Friday, December 15, 2006 8:59 AM
To: Rep.Wieckert
Cc: Becher, Scott
Subject: LRB 07-0703/1 (FE by WHEFA - attached - for your review)

Attachments: FE_Wickert.PDF



FE_Wickert.PDF
(467 KB)

Memo

To: Senator Representative

Wieckert

(The Draft's Requester)

Per your request: ... the attached fiscal estimate was prepared for your unIntroduced 2007 draft.

LRB Number: LRB -0703

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: 01 / 11 / 2007

*** * * * ***

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 Christina) 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 Christina) to process.

THIS DRAFT WAS INTRODUCED AS: 2007 _____

Barman, Mike

From: Barman, Mike
Sent: Thursday, January 11, 2007 1:49 PM
To: Rep.Wieckert
Cc: Becher, Scott
Subject: LRB 07-0703/1 (un-introduced) (FE by DOR - attached - for your review)

Attachments: FE_Wieckert.PDF



FE_Wieckert.PDF
(733 KB)

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