



**WISCONSIN LEGISLATIVE COUNCIL
ACT MEMO**

2007 Wisconsin Act 183 [2007 Assembly Bill 789]	Airport Development Zones
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CURRENT LAW

Under current law, tax benefits are available to businesses located within an area designated by the Department of Commerce (Commerce) as an airport development zone, an agricultural development zone, or a technology zone. A business located in any of these zones must meet certain requirements and be certified by Commerce in order to receive tax benefits.

Under current law, the total tax credit allocation for all airport development zones, for all taxable years, is \$9 million. The total tax credit allocation for all technology zones, for all taxable years, is \$5 million, and the total tax credit allocation for agricultural development zones is also \$5 million.

2007 WISCONSIN ACT 183

Reallocation of Technology Zone Tax Credits to Agricultural Development Zones and Technology Zones

Act 183 authorizes Commerce to allocate up to \$6 million of unallocated airport development zone tax credits to technology and agricultural development zones for which the current allocations are insufficient. This reallocation authority sunsets on December 31, 2009.

Requirement to Designate a Specific Airport Development Zone

Act 183 directs Commerce to designate as an airport development zone the area within the boundaries of Adams, Fond du Lac, Green Lake, Juneau, Langlade, Lincoln, Marathon, Marquette, Menominee, Oneida, Portage, Price, Shawano, Taylor, Waupaca, Waushara, Winnebago, Wood, and Vilas Counties. This designation is not subject to the statutory requirements which must otherwise be met under s. 560.7995 (2), Stats., before an area may be designated as an airport development zone.

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.state.wi.us/>.

Act 183 also creates two provisions that apply only to the newly designated airport development zone.

First, under current law, an airport development zone may be allocated no more than \$3 million in tax benefits. Act 183 specifies that the newly designated airport development zone described above is subject to a lower limit of \$750,000 in tax benefits.

Second, under current law, a person who intends to operate a business in an airport development zone may submit an application and a business plan to Commerce. If Commerce approves the business plan, the person is eligible for tax benefits. Under Act 183, when approving business plans within the newly designated airport development zone, Commerce must give higher priority to businesses located or proposed to be located in a distressed area, as defined in s. 560.605 (7) (b), Stats.

A distressed area is an area to which any of the following apply:

1. The area has a high level of unemployment.
2. The area has a low-median household income.
3. A significant number of workers in the area have been permanently laid off.
4. An employer in the area has given public notice of a plant closing or a substantial reduction in force that will result in a significant number of workers in the area being permanently laid off.
5. The area is designated as a development zone under s. 560.71 or an enterprise development zone under s. 560.797.
6. As determined by the Development Finance Board, the area is affected by another factor that indicates the area is a distressed area.

Effective Date: April 10, 2008

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