2009 DRAFTING REQUEST

Bill

Received: **09/04/2009**

Received By: **chanaman**

Wanted: **As time permits**

Identical to LRB:

For: **Cory Mason (608) 266-0634**

By/Representing: **Vicky**

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

Drafter: **chanaman**

May Contact:

Addl. Drafters:

Subject: **Tax, Individual - income**
Higher Education - miscellaneous
Higher Education - tech. college
Econ. Development - bus. dev.
Tax, Business - credits

Extra Copies:

Submit via email: **YES**

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

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Wisconsin jobs initiative

Instructions:

See attached---3378, -3298, -3266, -3383, and -3384

Drafting History:

Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	Jacketed	Required
/P1	chanaman 09/06/2009 gmalaise 09/08/2009	kfollett 09/08/2009		_____ _____ _____ _____			S&L
/P2		jdyer 09/14/2009	mduchek 09/08/2009	_____ _____	lparisi 09/08/2009		S&L

Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	Jacketed	Required
/1			mduchek 09/14/2009	_____ _____	mbarman 09/14/2009	lparisi 09/28/2009	S&L

FE Sent For: at entry 10/23

<END>

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/P1	chanaman 09/06/2009 gmalaise 09/08/2009	kfollett 09/08/2009 9/14 jld		_____ _____ _____ _____			S&L
/P2			mduchek 09/08/2009 9/14 MD	_____ _____	lparisi 09/08/2009		S&L

Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	Jacketed	Required

FE Sent For:

<END>

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Tax, Business - credits

Extra Copies:

PG ✓
MES ✓
TKK X
JK X
GMM ✓
↑ on Tuesday
Then to editing

Submit via email: **YES**

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Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Wisconsin jobs initiative

Instructions:

See attached---3378, -3298, -3266, -3383, and -3384

Drafting History:

Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	Jacketed	Required
/P1	chanaman	1 P2 kf 9/8	Compile MD 9/4	_____ _____ MD			

FE Sent For:

/P2 MD 9/4

<END>

Kuczenski, Tracy

From: Sundberg, Christopher
Sent: Friday, September 04, 2009 2:14 PM
To: Selkowe, Vicky
Cc: Kuczenski, Tracy
Subject: RE: Draft review: LRB 09-3383/P1 Topic: Business retooling and retention grants

The credit should go to Tracy Kuczenski, who got this drafted in record time. I'll pass this along to her.

CS

From: Selkowe, Vicky
Sent: Friday, September 04, 2009 12:39 PM
To: Hanaman, Cathlene; Sundberg, Christopher
Subject: FW: Draft review: LRB 09-3383/P1 Topic: Business retooling and retention grants

Chris – Thank you so much for getting this drafted so quickly.

This looks good to go with the one change being that the appropriations need to match the chart I sent Cathlene earlier this morning – so $12M in 2009-10 and $0 in '10-11.

Thank you so much!
Vicky

Vicky Selkowe
Office of State Representative Cory Mason
62nd Assembly District
Room 321 East, State Capitol
PO Box 8953, Madison, WI 53708
Phone: (608) 266-0634
Toll-free: (888) 534-0062

From: Duerst, Christina
Sent: Friday, September 04, 2009 12:14 PM
To: Rep.Mason
Subject: Draft review: LRB 09-3383/P1 Topic: Business retooling and retention grants

Following is the PDF version of draft LRB 09-3383/P1.

Sorted Item List

Store File Name	Text
–3266.1	20.005 (3) (schedule) of the statutes: at the appropriate place, insert the following amounts for the purposes indicated:
–3383.1	20.005 (3) (schedule) of the statutes: at the appropriate place, insert the following amounts for the purposes indicated:
–3383.2	20.143 (1) (cr) of the statutes is created to read:
–3298.1	20.235 (1) (fe) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:
–3266.2	20.292 (1) (cr) of the statutes is created to read:
–3266.3	38.28 (1m) (a) 1. of the statutes is amended to read:
–3266.4	38.31 of the statutes is created to read:
–3378.1	71.06 (1p) (e) of the statutes, as created by 2009 Wisconsin Act 28, is amended to read:
–3378.2	71.06 (1p) (f) of the statutes is created to read:
–3378.3	71.06 (2) (g) 5. of the statutes, as created by 2009 Wisconsin Act 28, is amended to read:
–3378.4	71.06 (2) (g) 6. of the statutes is created to read:
–3378.5	71.06 (2) (h) 5. of the statutes, as created by 2009 Wisconsin Act 28, is amended to read:
–3378.6	71.06 (2) (h) 6. of the statutes is created to read:
–3378.7	71.06 (2e) (b) of the statutes, as created by 2009 Wisconsin Act 28, is amended to read:
–3378.8	71.09 (11) (f) of the statutes, as created by 2009 Wisconsin Act 28, is amended to read:
–3383.3	560.147 of the statutes is created to read:
–3384.1	560.205 (3) (d) of the statutes, as affected by 2009 Wisconsin Act 2, is amended to read:
–3383.4	Nonstatutory provisions.
–3266.9148	Nonstatutory provisions; Technical College System
–3298.9223	Fiscal changes; Higher Educational Aids Board.
–3378.9343	Initial applicability; Revenue.

Malaise, Gordon

From: Selkowe, Vicky
Sent: Friday, September 04, 2009 10:59 AM
To: Hanaman, Cathlene; Shovers, Marc; Malaise, Gordon
Subject: Final appropriation amounts

	2009-10 = $82M total	2010-11 = $63M total
WHEG	$15,535,750	$31,071,500
Tech College	$52,000,000	$30,000,000
Commerce	$12,000,000	$0
Angel Investing	$2,000,000	$2,000,000
TOTAL	81.5	63

We've been crunching all of these numbers and believe that, to match the revenue estimations, the above is what the final appropriation breakdown needs to be. If Marc, in his conversations with Rick Olin at LFB has calculated the revenue numbers differently than the above for each year of the biennium, please let me know and we'll adjust the final appropriations for each piece of the package accordingly.

Thank you!
Vicky

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Toll-free: (888) 534-0062

State of Wisconsin
2009 - 2010 LEGISLATURE

Today

P2
LRB-3391/~~P1~~
~~AL~~L:all:md
stays
PG, MS, GM, JK, TK

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

LPS: Please suppress attorney nos.

Gen

AN ACT ...; **relating to:** creating a new individual income tax upper bracket; the amounts appropriated for tuition grants and for Wisconsin higher education grants for University of Wisconsin system students, technical college students, and tribal college students; grants to technical college districts to reduce unemployment; grants to businesses to make capital expenditures; increasing the total amount of angel investment credits providing an exemption from emergency rule procedures; granting rule-making authority; making an appropriation; and making appropriations.

Analysis by the Legislative Reference Bureau

***** ANALYSIS FROM -3378/1 *****

Under current law, there are five income tax brackets for single individuals, certain fiduciaries, heads of households, and married persons. The brackets are indexed for inflation. The rate of taxation under current law for the lowest bracket for single individuals, certain fiduciaries, heads of households, and married persons is 4.6 percent of taxable income; the rate for the second bracket is 6.15 percent; the rate for the third bracket is 6.5 percent; the rate for the fourth bracket is 6.75 percent; and the rate for the highest bracket, which was created in the budget bill, 2009 Wisconsin Act 28, is 7.75 percent.

Currently, the highest bracket applies to taxable income exceeding $225,000 for single individuals, certain fiduciaries, and heads of households. For married persons, the highest current bracket applies to taxable income exceeding $300,000 for joint filers and $150,000 for separate filers.

This bill creates a sixth bracket with a taxation rate of 8.75 percent. For single individuals, certain fiduciaries, and heads of households, this bracket applies to taxable income exceeding $750,000. For married persons, this bracket applies to taxable income exceeding $1,000,000 for joint filers and $500,000 for separate filers. This bracket is indexed for inflation starting with taxable year 2010, and first applies to taxable years beginning on January 1, 2009.

***** ANALYSIS FROM -3298/2 *****

Under current law, there is appropriated to the Higher Educational Aids Board (HEAB) a sum sufficient equal to $37,750,000 in the 2009-10 fiscal year and equal to $58,345,400 in the 2010-11 fiscal year for Wisconsin higher education grants for University of Wisconsin (UW) System students (WHEG-UW grants). There is also appropriated to HEAB for WHEG-UW grants in the 2009-10 fiscal year $17,250,000 in auxiliary enterprises moneys transferred to HEAB by the UW System. This bill appropriates to HEAB for WHEG-UW grants a sum sufficient equal to ~~$44,312,100~~ $43,313,900 in the 2009-10 fiscal year and equal to $69,850,200 in the 2010-11 fiscal year.

Under current law, there is appropriated to HEAB, as a biennial appropriation, $36,960,100 in the 2009-11 state fiscal biennium for Wisconsin higher education grants for technical college students (WHEG-tech grants). This bill increases the amount appropriated for WHEG-tech grants in the 2009-11 state fiscal biennium by ~~$25,780,500~~ $24,116,800 over the total amount appropriated for that purpose under current law.

Under current law, there is appropriated to HEAB, as a biennial appropriation, $893,000 in the 2009-11 state fiscal biennium for Wisconsin higher education grants for tribal college students (WHEG-tribal grants). This bill increases the amount appropriated for WHEG-tribal grants in the 2009-11 state fiscal biennium by ~~$405,300~~ $372,000 over the total amount appropriated for that purpose under current law.

Under current law, there is appropriated to HEAB, as a biennial appropriation, $53,208,600 in the 2009-11 state fiscal biennium for tuition grants for students attending accredited, nonprofit, post-high school educational institutions in this state. This bill increases the amount appropriated for tuition grants in the 2009-11 state fiscal biennium by ~~$5,379,400~~ $5,046,700 over the total amount appropriated for that purpose under current law.

***** ANALYSIS FROM -3266/3 *****

This bill directs the Wisconsin Technical College System (WTCS) Board to award grants to technical college districts for programs that assist in reducing unemployment. To be eligible for a grant, a technical college district must meet certain eligibility criteria relating to the unemployment rate of areas within the district or recent increases in the unemployment rate of areas within the district. Grants are available for three specified purposes:

1. To recruit, enroll, instruct, provide support services to, and pay the tuition and fees of dislocated workers who enroll in the district. A dislocated worker is a

person who has been laid off or terminated from employment and meets certain additional criteria; a person who was self-employed but is currently unemployed as a result of economic conditions or natural disasters; or a displaced homemaker.

2. To recruit, enroll, instruct, and provide services to adults who enroll in the district in a program leading to a certificate of general educational development (commonly referred to as a GED) or a high school equivalency diploma.

3. To expand existing capacity or create capacity in district programs for which there are student waiting lists or that address projected workforce needs in the district.

The bill authorizes the WTCS Board to modify the grant eligibility criteria and the purposes for which grants may be awarded in order to ensure the eligibility of district boards for grants awarded by the federal government for programs that improve completion rates and train workers for skilled occupations.

The bill directs the WTCS Board to give preference in awarding grants to programs that serve persons who reside in areas with the highest unemployment rates. The board must also submit annual reports to the governor and to the legislature regarding the programs that have been awarded grants.

***** ANALYSIS FROM -3383/P1 *****

This bill creates a new grant program in the Department of Commerce (department). Under the program, the department may award a grant to a business with operations, equipment, or facilities in an economically distressed area of the state for the purpose of making capital investments to upgrade or modernize the operations, facilities, or equipment of the business if the capital investments will result in the retention or creation of jobs. The bill defines an "economically distressed area" as any of the following:

1. A county, city, or micropolitan statistical area with an unemployment rate of at least 6 percent in two or more months during the 12 months preceding the date of the grant application.

2. A county, city, or micropolitan statistical area with an average unemployment rate equal to at least 120 percent of the statewide average unemployment rate during the 12 months preceding the date of the grant application.

3. A county, city, or micropolitan statistical area with an unemployment rate that has increased by at least 2 percent during the 12 months preceding the date of the grant application.

The department is to award grants on a competitive basis, and to give priority to businesses that have established or propose to establish a partnership with a technical college district board for the purpose of providing skill training or retraining to meet the specific workforce needs of that business.

***** ANALYSIS FROM -3384/P2 *****

Under current law, the total amount of angel investment tax credits that taxpayers may claim is $5,500,000 in 2010 and $18,000,000 in each year thereafter. Under the bill, the total amount of angel investment tax credits that taxpayers may claim is $7,500,000 in 2010 and $20,000,000 in each year thereafter.

For further information see the ***state and local*** 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:

***-3266/3.1* SECTION 1.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert the following amounts for the purposes indicated:

				2009-10	2010-11
20.292 Technical college system board					
(1) TECHNICAL COLLEGE SYSTEM					
(cr) Grants to reduce unemployment	GPR	A		52,000,000	30,000,000

~~***-3383/P1.1* SECTION 2.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert the following amounts for the purposes indicated:~~

				~~2009-10~~	~~2010-11~~
20.143 Commerce, department of					
(1) ECONOMIC AND COMMUNITY DEVELOPMENT					
(cr) Grants for business retooling and retention	GPR	B		10,000,000	4,000,000

move up

12,000,000 0

***-3383/P1.2* SECTION 3.** 20.143 (1) (cr) of the statutes is created to read:

20.143 **(1)** (cr) *Grants for business retooling and retention.* Biennially, the amounts in the schedule for grants under s. 560.147.

***-3298/2.1* SECTION 4.** 20.235 (1) (fe) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

$43,313,900

20.235 **(1)** (fe) *Wisconsin higher education grants; University of Wisconsin System students.* A sum sufficient equal to ~~$37,750,000~~ ~~$44,312,100~~ in the 2009-10

fiscal year, equal to ~~$58,345,400~~ $69,850,200 in the 2010-11 fiscal year, and equal to the amount calculated under s. 39.435 (7) for the Wisconsin higher education grant program under s. 39.435 for University of Wisconsin System students, except for grants awarded under s. 39.435 (2) or (5), thereafter.

***-3266/3.2* SECTION 5.** 20.292 (1) (cr) of the statutes is created to read:

20.292 **(1)** (cr) *Grants to reduce unemployment.* The amounts in the schedule for grants to technical college districts to reduce unemployment under s. 38.31.

***-3266/3.3* SECTION 6.** 38.28 (1m) (a) 1. of the statutes is amended to read:

38.28 **(1m)** (a) 1. "District aidable cost" means the annual cost of operating a technical college district, including debt service charges for district bonds and promissory notes for building programs or capital equipment, but excluding all expenditures relating to auxiliary enterprises and community service programs, all expenditures funded by or reimbursed with federal revenues, all receipts under sub. (6) and ss. 38.12 (9), 38.14 (3) and (9), 118.15 (2) (a), and 118.55 (7r), all receipts from grants awarded under ss. 38.04 (8), (20), (28), and (31), 38.14 (11), 38.26, 38.27, 38.31, 38.33, and 38.38, all fees collected under s. 38.24, and driver education and chauffeur training aids.

***-3266/3.4* SECTION 7.** 38.31 of the statutes is created to read:

38.31 Grants to reduce unemployment. (1) DEFINITIONS. In this section:

(a) "Dislocated worker" has the meaning given in 29 USC 2801 (9).

(b) "Micropolitan statistical area" means a geographic area defined by the federal office of management and budget for use by federal agencies in collecting, tabulating, and publishing federal statistics.

(2) ELIGIBILITY CRITERIA. (a) Subject to par. (b) and sub. (6), a district board is eligible for a grant under this section if it meets one or more of the following criteria:

1. The district includes a county, city, or micropolitan statistical area with an unemployment rate of at least 6 percent in 2 or more months during the 12 months preceding the date of the grant application

2. The district includes a county, city, or micropolitan statistical area with an average unemployment rate equal to at least 120 percent of the statewide average unemployment rate during the 12 months preceding the date of the grant application.

3. The district includes a county, city, or micropolitan statistical area with an unemployment rate that has increased by at least 2 percent during the 12 months preceding the date of the grant application.

(b) The board may not award a grant to a district board under this section unless the district board demonstrates how the grant will serve the area or areas that established the eligibility of the district board for a grant under par. (a).

(3) GRANTS. Subject to sub. (6), the board shall award grants to eligible district boards for the following purposes:

(a) To recruit, enroll, instruct, provide support services to, and pay the tuition and fees of dislocated workers who enroll in the district in an associate degree program, collegiate transfer program, vocational diploma program, or vocational-adult program.

(b) To recruit, enroll, instruct, and provide support services to adults who enroll in the district in a program leading to a certificate of general educational development or a high school equivalency diploma.

(c) To expand existing capacity or create capacity in district board programs for which there are student waiting lists or that address projected workforce needs in the district.

1 **(4)** PREFERENCE. The board shall give preference in awarding grants under this
2 section to district boards serving persons residing in areas with the highest
3 unemployment rates.

4 **(5)** LIMITATION ON USE OF FUNDS. A district board may not use a grant awarded
5 under this section to pay any portion of tuition that would otherwise be paid for by
6 a tuition remission, tuition waiver, tuition reimbursement, or any other state or state
7 or federal financial aid program.

8 **(6)** COMPLIANCE WITH FEDERAL LAW. The board may modify the eligibility criteria
9 under sub. (2) and the purposes for which grants may be awarded under sub. (3) in
10 order to ensure the eligibility of district boards for grants awarded by the federal
11 government for programs that improve completion rates and train workers for
12 skilled occupations.

13 **(7)** REPORT. (a) By January 15, 2011, and annually thereafter, the board shall
14 submit a report to the governor and to the legislature under s. 13.172 (2). The report
15 shall include all of the following:

16 1. The district boards awarded grants under this section and how they used the
17 funds.

18 2. The rates of unemployment in the areas in which the grants were disbursed.

19 3. The number of people who were assisted with each grant awarded, the
20 technical college programs in which they enrolled, the number of people who
21 completed such programs, the number of people who found employment in the
22 district and elsewhere upon completing such programs and their annual salaries,
23 and the tax revenue generated as a result, as estimated by the department of
24 revenue.

(b) Beginning with the report submitted in 2012, the board shall include longitudinal data.

(8) RULES. The board shall promulgate rules to implement and administer this section.

***-3378/1.1* SECTION 8.** 71.06 (1p) (e) of the statutes, as created by 2009 Wisconsin Act 28, is amended to read:

71.06 **(1p)** (e) On all taxable income exceeding $225,000 <u>but not exceeding $750,000</u>, 7.75 percent.

***-3378/1.2* SECTION 9.** 71.06 (1p) (f) of the statutes is created to read:

71.06 **(1p)** (f) On all taxable income exceeding $750,000, 8.75 percent.

***-3378/1.3* SECTION 10.** 71.06 (2) (g) 5. of the statutes, as created by 2009 Wisconsin Act 28, is amended to read:

71.06 **(2)** (g) 5. On all taxable income exceeding $300,000 <u>but not exceeding $1,000,000</u>, 7.75 percent.

***-3378/1.4* SECTION 11.** 71.06 (2) (g) 6. of the statutes is created to read:

71.06 **(2)** (g) 6. On all taxable income exceeding $1,000,000, 8.75 percent.

***-3378/1.5* SECTION 12.** 71.06 (2) (h) 5. of the statutes, as created by 2009 Wisconsin Act 28, is amended to read:

71.06 **(2)** (h) 5. On all taxable income exceeding $150,000 <u>but not exceeding $500,000</u>, 7.75 percent.

***-3378/1.6* SECTION 13.** 71.06 (2) (h) 6. of the statutes is created to read:

71.06 **(2)** (h) 6. On all taxable income exceeding $500,000, 8.75 percent.

***-3378/1.7* SECTION 14.** 71.06 (2e) (b) of the statutes, as created by 2009 Wisconsin Act 28, is amended to read:

71.06 **(2e)** (b) For taxable years beginning after December 31, 2009, the maximum dollar amount in each tax bracket, and the corresponding minimum dollar amount in the next bracket, under subs. (1p) (d) and (e) and (2) (g) 4. and 5. and (h) 4. and 5., and the dollar amount in the top bracket under subs. (1p) ~~(e)~~ (f) and (2) (g) ~~5.~~ 6. and (h) ~~5.~~ 6., shall be increased each year by a percentage equal to the percentage change between the U.S. consumer price index for all urban consumers, U.S. city average, for the month of August of the previous year and the U.S. consumer price index for all urban consumers, U.S. city average, for the month of August 2008, as determined by the federal department of labor, except that for taxable years beginning after December 31, 2011, the adjustment may occur only if the resulting amount is greater than the corresponding amount that was calculated for the previous year. Each amount that is revised under this paragraph shall be rounded to the nearest multiple of $10 if the revised amount is not a multiple of $10 or, if the revised amount is a multiple of $5, such an amount shall be increased to the next higher multiple of $10. The department of revenue shall annually adjust the changes in dollar amounts required under this paragraph and incorporate the changes into the income tax forms and instructions.

***-3378/1.8* SECTION 15.** 71.09 (11) (f) of the statutes, as created by 2009 Wisconsin Act 28, is amended to read:

71.09 **(11)** (f) The taxpayer has underpaid the taxpayer's estimated taxes due to the change in brackets under s. 71.06 (1p) (e) or (f) and (2) (g) 5. or 6. and (h) 5. or 6. This paragraph applies only in the first taxable year to which these bracket changes apply.

***-3383/P1.3* SECTION 16.** 560.147 of the statutes is created to read:

560.147 Grants for business retooling and retention. (1) In this section:

1 (a) "Economically distressed area" means any of the following:

2 1. A county, city, or micropolitan statistical area with an unemployment rate
3 of at least 6 percent in 2 or more months during the 12 months preceding the date
4 of the grant application.

5 2. A county, city, or micropolitan statistical area with an average
6 unemployment rate equal to at least 120 percent of the statewide average
7 unemployment rate during the 12 months preceding the date of the grant
8 application.

9 3. A county, city, or micropolitan statistical area with an unemployment rate
10 that has increased by at least 2 percent during the 12 months preceding the date of
11 the grant application.

12 (b) "Micropolitan statistical area" means a geographic area defined by the
13 federal office of management and budget for use by federal agencies in collecting,
14 tabulating, and publishing federal statistics.

15 **(2)** (a) From the appropriation under s. 20.143 (1) (cr), the department may
16 award a grant to a business that applies to the department under this section for
17 capital investments to upgrade or modernize the operations, facilities, or equipment
18 of the business if all of the following are satisfied:

19 1. The operations, facilities, or equipment of the business are located in an
20 economically distressed area of this state.

21 2. The business demonstrates to the satisfaction of the department that the
22 capital investments will result in the retention or creation of jobs.

23 (b) The department shall award grants on a competitive basis and shall give
24 priority to a business that has established or that proposes to establish a partnership

with a technical college district board for the purpose of providing skill training or retraining to meet the specific workforce needs of that business.

(3) The department shall promulgate rules to implement and administer this section. The rules under this subsection shall include limits on the amount of a grant to be awarded under this section to ensure that grant moneys are distributed to as many eligible businesses as possible and will result in the retention or creation of as many jobs as possible.

***-3384/P2.1* SECTION 17.** 560.205 (3) (d) of the statutes, as affected by 2009 Wisconsin Act 2, is amended to read:

560.205 **(3)** (d) *Rules.* The department of commerce, in consultation with the department of revenue, shall promulgate rules to administer this section. The rules shall further define "bona fide angel investment" for purposes of s. 71.07 (5d) (a) 1. The rules shall limit the aggregate amount of tax credits under s. 71.07 (5d) that may be claimed for investments in businesses certified under sub. (1) at $3,000,000 per calendar year for calendar years beginning after December 31, 2004, and before January 1, 2008, $5,500,000 per calendar year for calendar years beginning after December 31, 2007, <u>and before January 1, 2010, $7,500,000 per calendar year for calendar years beginning after December 31, 2009,</u> and before January 1, 2011, and ~~$18,000,000~~ <u>$20,000,000</u> per calendar year for calendar years beginning after December 31, 2010, plus, for taxable years beginning after December 31, 2010, an additional $250,000 for tax credits that may be claimed for investments in nanotechnology businesses certified under sub. (1). The rules shall also limit the aggregate amount of the tax credits under ss. 71.07 (5b), 71.28 (5b), 71.47 (5b), and 76.638 that may be claimed for investments paid to fund managers certified under sub. (2) at $3,500,000 per calendar year for calendar years beginning after December

31, 2004, and before January 1, 2008, $6,000,000 per calendar year for calendar years beginning after December 31, 2007, and before January 1, 2011, and $18,500,000 per calendar year for calendar years beginning after December 31, 2010, plus, for taxable years beginning after December 31, 2010, an additional $250,000 for tax credits that may be claimed for investments in nanotechnology businesses certified under sub. (1). The rules shall also provide that, for calendar years beginning after December 31, 2007, no person may receive a credit under ss. 71.07 (5b) and (5d), 71.28 (5b), 71.47 (5b), or 76.638 unless the person's investment is kept in a certified business, or with a certified fund manager, for no less than 3 years.

***-3383/P1.4* SECTION 18. Nonstatutory provisions.**

(1) RULE MAKING.

(a) The department of commerce shall submit in proposed form the rules required under section 560.147 (3) of the statutes, as created by this act, no later than the first day of the 4th month beginning after the effective date of this paragraph.

(b) Using the emergency rules procedure under section 227.24 of the statutes, the department of commerce shall promulgate the rules required under section 560.147 (3) of the statutes, as created by this act, for purposes of implementing the grant program under section 560.147 of the statutes, as created by this act, for the period before the effective date of the rules submitted under paragraph (a). The department of commerce shall promulgate these emergency rules no later than the first day of the 4th month beginning after the effective date of this paragraph. Notwithstanding section 227.24 (1) (c) and (2) of the statutes, emergency rules promulgated under this subsection remain in effect until July 1, 2010, or until the date on which permanent rules take effect, whichever is sooner. Notwithstanding section 227.24 (1) (a) and (3) of the statutes, the department is not required to provide

1 evidence that promulgating a rule under this subsection as an emergency rule is
2 necessary for the preservation of the public peace, health, safety, or welfare and is
3 not required to provide a finding of emergency for a rule promulgated under this
4 subsection.

5 (c) Notwithstanding sections 227.137 (2) and 227.138 (2) of the statutes, if the
6 secretary of administration requires the department of commerce to prepare an
7 economic impact report for the rules required under section 560.147 (3) of the
8 statutes, as created by this act, the department may submit the proposed rules to the
9 legislature for review under section 227.19 (2) of the statutes before the department
10 completes the economic impact report and before the department receives a copy of
11 the report and approval under section 227.138 (2) of the statutes.

12 ***-3266/3.9148* SECTION 9148. Nonstatutory provisions; Technical**
13 **College System**

14 (1) RULES. Using the procedure under section 227.24 of the statutes, the
15 technical college system board shall promulgate rules required under section 38.31
16 (8) of the statutes, as created by this act, for the period before the effective date of the
17 permanent rules promulgated under that section, but not to exceed the period
18 authorized under section 227.24 (1) (c) and (2) of the statutes. Notwithstanding
19 section 227.24 (1) (a), (2) (b), and (3) of the statutes, the technical college system
20 board is not required to provide evidence that promulgating a rule under this
21 subsection as an emergency rule is necessary for the preservation of public peace,
22 health, safety, or welfare and is not required to provide a finding of an emergency for
23 a rule promulgated under this subsection.

24 ***-3298/2.9223* SECTION 9223. Fiscal changes; Higher Educational Aids**
25 **Board.**

$5,563,900

(1) WISCONSIN HIGHER EDUCATION GRANTS; UNIVERSITY OF WISCONSIN SYSTEM STUDENTS. In the schedule under section 20.005 (3) of the statutes for the appropriation to the higher educational aids board under section 20.235 (1) (fe) of the statutes, as affected by the acts of 2009, the dollar amount is increased by ~~$6,562,100~~ for the first fiscal year of the fiscal biennium in which this subsection takes effect for the purpose for which the appropriation is made. In the schedule under section 20.005 (3) of the statutes for the appropriation to the higher educational aids board under section 20.235 (1) (fe) of the statutes, as affected by the acts of 2009, the dollar amount is increased by $11,504,800 for the second fiscal year of the fiscal biennium in which this subsection takes effect for the purpose for which the appropriation is made.

$7,993,000

(2) WISCONSIN HIGHER EDUCATION GRANTS; TECHNICAL COLLEGE STUDENTS. In the schedule under section 20.005 (3) of the statutes for the appropriation to the higher educational aids board under section 20.235 (1) (ff) of the statutes, as affected by the acts of 2009, the dollar amount is increased by ~~$9,656,700~~ for the first fiscal year of the fiscal biennium in which this subsection takes effect for the purpose for which the appropriation is made. In the schedule under section 20.005 (3) of the statutes for the appropriation to the higher educational aids board under section 20.235 (1) (ff) of the statutes, as affected by the acts of 2009, the dollar amount is increased by $16,123,800 for the second fiscal year of the fiscal biennium in which this subsection takes effect for the purpose for which the appropriation is made.

(3) WISCONSIN HIGHER EDUCATION GRANTS; TRIBAL COLLEGE STUDENTS. In the schedule under section 20.005 (3) of the statutes for the appropriation to the higher educational aids board under section 20.235 (1) (km) of the statutes, as affected by the acts of 2009, the dollar amount is increased by ~~$141,600~~ for the first fiscal year

$108,300

of the fiscal biennium in which this subsection takes effect for the purpose for which the appropriation is made. In the schedule under section 20.005 (3) of the statutes for the appropriation to the higher educational aids board under section 20.235 (1) (km) of the statutes, as affected by the acts of 2009, the dollar amount is increased by $263,700 for the second fiscal year of the fiscal biennium in which this subsection takes effect for the purpose for which the appropriation ~~is made~~. $1,867,500

(4) TUITION GRANTS. In the schedule under section 20.005 (3) of the statutes for the appropriation to the higher educational aids board under section 20.235 (1) (b) of the statutes, as affected by the acts of 2009, the dollar amount is increased by ~~$2,200,200~~ for the first fiscal year of the fiscal biennium in which this subsection takes effect for the purpose for which the appropriation is made. In the schedule under section 20.005 (3) of the statutes for the appropriation to the higher educational aids board under section 20.235 (1) (b) of the statutes, as affected by the acts of 2009, the dollar amount is increased by $3,179,200 for the second fiscal year of the fiscal biennium in which this subsection takes effect for the purpose for which the appropriation is made.

***-3378/1.9343* SECTION 9343. Initial applicability; Revenue.**

(1) INDIVIDUAL INCOME TAX BRACKETS. The treatment of sections 71.06 (1p) (e) and (f) and (2) (g) 5. and 6. and (h) 5. and 6. and 71.09 (11) (f) of the statutes first applies to taxable years beginning on January 1, 2009.

(END)

State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-3391/P2
PG/MS/GM/JK/TK:all:md

TODAY

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

AN ACT ***to amend*** 20.235 (1) (fe), 38.28 (1m) (a) 1., 71.06 (1p) (e), 71.06 (2) (g) 5., 71.06 (2) (h) 5., 71.06 (2e) (b), 71.09 (11) (f) and 560.205 (3) (d); and ***to create*** 20.143 (1) (cr), 20.292 (1) (cr), 38.31, 71.06 (1p) (f), 71.06 (2) (g) 6., 71.06 (2) (h) 6. and 560.147 of the statutes; **relating to:** creating a new individual income tax upper bracket; the amounts appropriated for tuition grants and for Wisconsin higher education grants for University of Wisconsin system students, technical college students, and tribal college students; grants to technical college districts to reduce unemployment; grants to businesses to make capital expenditures; increasing the total amount of angel investment credits; providing an exemption from emergency rule procedures; granting rule-making authority; and making appropriations.

Analysis by the Legislative Reference Bureau

Under current law, there are five income tax brackets for single individuals, certain fiduciaries, heads of households, and married persons. The brackets are indexed for inflation. The rate of taxation under current law for the lowest bracket for single individuals, certain fiduciaries, heads of households, and married persons

is 4.6 percent of taxable income; the rate for the second bracket is 6.15 percent; the rate for the third bracket is 6.5 percent; the rate for the fourth bracket is 6.75 percent; and the rate for the highest bracket, which was created in the budget bill, 2009 Wisconsin Act 28, is 7.75 percent.

INS A cont

Currently, the highest bracket applies to taxable income exceeding $225,000 for single individuals, certain fiduciaries, and heads of households. For married persons, the highest current bracket applies to taxable income exceeding $300,000 for joint filers and $150,000 for separate filers.

This bill creates a sixth bracket with a taxation rate of 8.75 percent. For single individuals, certain fiduciaries, and heads of households, this bracket applies to taxable income exceeding $750,000. For married persons, this bracket applies to taxable income exceeding $1,000,000 for joint filers and $500,000 for separate filers. This bracket is indexed for inflation starting with taxable year 2010, and first applies to taxable years beginning on January 1, 2009. (end ins A)

Under current law, there is appropriated to the Higher Educational Aids Board (HEAB) a sum sufficient equal to $37,750,000 in the 2009-10 fiscal year and equal to $58,345,400 in the 2010-11 fiscal year for Wisconsin higher education grants for University of Wisconsin (UW) System students (WHEG-UW grants). There is also appropriated to HEAB for WHEG-UW grants in the 2009-10 fiscal year $17,250,000 in auxiliary enterprises moneys transferred to HEAB by the UW System. This bill appropriates to HEAB for WHEG-UW grants a sum sufficient equal to $43,313,900 in the 2009-10 fiscal year and equal to $69,850,200 in the 2010-11 fiscal year.

Under current law, there is appropriated to HEAB, as a biennial appropriation, $36,960,100 in the 2009-11 state fiscal biennium for Wisconsin higher education grants for technical college students (WHEG-tech grants). This bill increases the amount appropriated for WHEG-tech grants in the 2009-11 state fiscal biennium by $24,116,800 over the total amount appropriated for that purpose under current law.

Under current law, there is appropriated to HEAB, as a biennial appropriation, $893,000 in the 2009-11 state fiscal biennium for Wisconsin higher education grants for tribal college students (WHEG-tribal grants). This bill increases the amount appropriated for WHEG-tribal grants in the 2009-11 state fiscal biennium by $372,000 over the total amount appropriated for that purpose under current law.

Under current law, there is appropriated to HEAB, as a biennial appropriation, $53,208,600 in the 2009-11 state fiscal biennium for tuition grants for students attending accredited, nonprofit, post-high school educational institutions in this state. This bill increases the amount appropriated for tuition grants in the 2009-11 state fiscal biennium by $5,046,700 over the total amount appropriated for that purpose under current law.

This bill directs the Wisconsin Technical College System (WTCS) Board to award grants to technical college districts for programs that assist in reducing unemployment. To be eligible for a grant, a technical college district must meet certain eligibility criteria relating to the unemployment rate of areas within the district or recent increases in the unemployment rate of areas within the district. Grants are available for three specified purposes:

1. To recruit, enroll, instruct, provide support services to, and pay the tuition and fees of dislocated workers who enroll in the district. A dislocated worker is a person who has been laid off or terminated from employment and meets certain additional criteria; a person who was self-employed but is currently unemployed as a result of economic conditions or natural disasters; or a displaced homemaker.

2. To recruit, enroll, instruct, and provide services to adults who enroll in the district in a program leading to a certificate of general educational development (commonly referred to as a GED) or a high school equivalency diploma.

3. To expand existing capacity or create capacity in district programs for which there are student waiting lists or that address projected workforce needs in the district.

The bill authorizes the WTCS Board to modify the grant eligibility criteria and the purposes for which grants may be awarded in order to ensure the eligibility of district boards for grants awarded by the federal government for programs that improve completion rates and train workers for skilled occupations.

The bill directs the WTCS Board to give preference in awarding grants to programs that serve persons who reside in areas with the highest unemployment rates. The board must also submit annual reports to the governor and to the legislature regarding the programs that have been awarded grants.

This bill creates a new grant program in the Department of Commerce (department). Under the program, the department may award a grant to a business with operations, equipment, or facilities in an economically distressed area of the state for the purpose of making capital investments to upgrade or modernize the operations, facilities, or equipment of the business if the capital investments will result in the retention or creation of jobs. The bill defines an "economically distressed area" as any of the following:

1. A county, city, or micropolitan statistical area with an unemployment rate of at least 6 percent in two or more months during the 12 months preceding the date of the grant application.

2. A county, city, or micropolitan statistical area with an average unemployment rate equal to at least 120 percent of the statewide average unemployment rate during the 12 months preceding the date of the grant application.

3. A county, city, or micropolitan statistical area with an unemployment rate that has increased by at least 2 percent during the 12 months preceding the date of the grant application.

The department is to award grants on a competitive basis, and to give priority to businesses that have established or propose to establish a partnership with a technical college district board for the purpose of providing skill training or retraining to meet the specific workforce needs of that business.

Under current law, the total amount of angel investment tax credits that taxpayers may claim is $5,500,000 in 2010 and $18,000,000 in each year thereafter. Under the bill, the total amount of angel investment tax credits that taxpayers may claim is $7,500,000 in 2010 and $20,000,000 in each year thereafter.

INS A (from page 11 2)

For further information see the ***state and local*** 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.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
2 the following amounts for the purposes indicated:

			2009-10	2010-11
20.143 Commerce, department of				
(1) ECONOMIC AND COMMUNITY DEVELOPMENT				
(cr) Grants for business retooling and retention	GPR	B	12,000,000	-0-
20.292 Technical college system board				
(1) TECHNICAL COLLEGE SYSTEM				
(cr) Grants to reduce unemployment	GPR	A	52,000,000	30,000,000

SECTION 2. 20.143 (1) (cr) of the statutes is created to read:

20.143 **(1)** (cr) *Grants for business retooling and retention.* Biennially, the amounts in the schedule for grants under s. 560.147.

SECTION 3. 20.235 (1) (fe) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

20.235 **(1)** (fe) *Wisconsin higher education grants; University of Wisconsin System students.* A sum sufficient equal to ~~$37,750,000~~ $43,313,900 in the 2009-10 fiscal year, equal to ~~$58,345,400~~ $69,850,200 in the 2010-11 fiscal year, and equal to the amount calculated under s. 39.435 (7) for the Wisconsin higher education grant

program under s. 39.435 for University of Wisconsin System students, except for grants awarded under s. 39.435 (2) or (5), thereafter.

SECTION 4. 20.292 (1) (cr) of the statutes is created to read:

20.292 **(1)** (cr) *Grants to reduce unemployment.* The amounts in the schedule for grants to technical college districts to reduce unemployment under s. 38.31.

SECTION 5. 38.28 (1m) (a) 1. of the statutes is amended to read:

38.28 **(1m)** (a) 1. "District aidable cost" means the annual cost of operating a technical college district, including debt service charges for district bonds and promissory notes for building programs or capital equipment, but excluding all expenditures relating to auxiliary enterprises and community service programs, all expenditures funded by or reimbursed with federal revenues, all receipts under sub. (6) and ss. 38.12 (9), 38.14 (3) and (9), 118.15 (2) (a), and 118.55 (7r), all receipts from grants awarded under ss. 38.04 (8), (20), (28), and (31), 38.14 (11), 38.26, 38.27, <u>38.31,</u> 38.33, and 38.38, all fees collected under s. 38.24, and driver education and chauffeur training aids.

SECTION 6. 38.31 of the statutes is created to read:

38.31 Grants to reduce unemployment. (1) DEFINITIONS. In this section:

(a) "Dislocated worker" has the meaning given in 29 USC 2801 (9).

(b) "Micropolitan statistical area" means a geographic area defined by the federal office of management and budget for use by federal agencies in collecting, tabulating, and publishing federal statistics.

(2) ELIGIBILITY CRITERIA. (a) Subject to par. (b) and sub. (6), a district board is eligible for a grant under this section if it meets one or more of the following criteria:

1. The district includes a county, city, or micropolitan statistical area with an unemployment rate of at least 6 percent in 2 or more months during the 12 months preceding the date of the grant application

2. The district includes a county, city, or micropolitan statistical area with an average unemployment rate equal to at least 120 percent of the statewide average unemployment rate during the 12 months preceding the date of the grant application.

3. The district includes a county, city, or micropolitan statistical area with an unemployment rate that has increased by at least 2 percent during the 12 months preceding the date of the grant application.

(b) The board may not award a grant to a district board under this section unless the district board demonstrates how the grant will serve the area or areas that established the eligibility of the district board for a grant under par. (a).

(3) GRANTS. Subject to sub. (6), the board shall award grants to eligible district boards for the following purposes:

(a) To recruit, enroll, instruct, provide support services to, and pay the tuition and fees of dislocated workers who enroll in the district in an associate degree program, collegiate transfer program, vocational diploma program, or vocational-adult program.

(b) To recruit, enroll, instruct, and provide support services to adults who enroll in the district in a program leading to a certificate of general educational development or a high school equivalency diploma.

(c) To expand existing capacity or create capacity in district board programs for which there are student waiting lists or that address projected workforce needs in the district.

1 **(4)** PREFERENCE. The board shall give preference in awarding grants under this
2 section to district boards serving persons residing in areas with the highest
3 unemployment rates.

4 **(5)** LIMITATION ON USE OF FUNDS. A district board may not use a grant awarded
5 under this section to pay any portion of tuition that would otherwise be paid for by
6 a tuition remission, tuition waiver, tuition reimbursement, or any other state or state
7 or federal financial aid program.

8 **(6)** COMPLIANCE WITH FEDERAL LAW. The board may modify the eligibility criteria
9 under sub. (2) and the purposes for which grants may be awarded under sub. (3) in
10 order to ensure the eligibility of district boards for grants awarded by the federal
11 government for programs that improve completion rates and train workers for
12 skilled occupations.

13 **(7)** REPORT. (a) By January 15, 2011, and annually thereafter, the board shall
14 submit a report to the governor and to the legislature under s. 13.172 (2). The report
15 shall include all of the following:

16 1. The district boards awarded grants under this section and how they used the
17 funds.

18 2. The rates of unemployment in the areas in which the grants were disbursed.

19 3. The number of people who were assisted with each grant awarded, the
20 technical college programs in which they enrolled, the number of people who
21 completed such programs, the number of people who found employment in the
22 district and elsewhere upon completing such programs and their annual salaries,
23 and the tax revenue generated as a result, as estimated by the department of
24 revenue.

1 (b) Beginning with the report submitted in 2012, the board shall include
2 longitudinal data.
3 **(8)** RULES. The board shall promulgate rules to implement and administer this
4 section.
5 **SECTION 7.** 71.06 (1p) (e) of the statutes, as created by 2009 Wisconsin Act 28,
6 is amended to read:
7 71.06 **(1p)** (e) On all taxable income exceeding $225,000 <u>but not exceeding</u>
8 <u>$750,000</u>, 7.75 percent.
9 **SECTION 8.** 71.06 (1p) (f) of the statutes is created to read:
10 71.06 **(1p)** (f) On all taxable income exceeding $750,000, 8.75 percent.
11 **SECTION 9.** 71.06 (2) (g) 5. of the statutes, as created by 2009 Wisconsin Act 28,
12 is amended to read:
13 71.06 **(2)** (g) 5. On all taxable income exceeding $300,000 <u>but not exceeding</u>
14 <u>$1,000,000</u>, 7.75 percent.
15 **SECTION 10.** 71.06 (2) (g) 6. of the statutes is created to read:
16 71.06 **(2)** (g) 6. On all taxable income exceeding $1,000,000, 8.75 percent.
17 **SECTION 11.** 71.06 (2) (h) 5. of the statutes, as created by 2009 Wisconsin Act
18 28, is amended to read:
19 71.06 **(2)** (h) 5. On all taxable income exceeding $150,000 <u>but not exceeding</u>
20 <u>$500,000</u>, 7.75 percent.
21 **SECTION 12.** 71.06 (2) (h) 6. of the statutes is created to read:
22 71.06 **(2)** (h) 6. On all taxable income exceeding $500,000, 8.75 percent.
23 **SECTION 13.** 71.06 (2e) (b) of the statutes, as created by 2009 Wisconsin Act 28,
24 is amended to read:

1 71.06 **(2e)** (b) For taxable years beginning after December 31, 2009, the
2 maximum dollar amount in each tax bracket, and the corresponding minimum dollar
3 amount in the next bracket, under subs. (1p) (d) and (e) and (2) (g) 4. and 5. and (h)
4 4. and 5., and the dollar amount in the top bracket under subs. (1p) ~~(e)~~ (f) and (2) (g)
5 ~~5.~~ 6. and (h) ~~5.~~ 6., shall be increased each year by a percentage equal to the percentage
6 change between the U.S. consumer price index for all urban consumers, U.S. city
7 average, for the month of August of the previous year and the U.S. consumer price
8 index for all urban consumers, U.S. city average, for the month of August 2008, as
9 determined by the federal department of labor, except that for taxable years
10 beginning after December 31, 2011, the adjustment may occur only if the resulting
11 amount is greater than the corresponding amount that was calculated for the
12 previous year. Each amount that is revised under this paragraph shall be rounded
13 to the nearest multiple of $10 if the revised amount is not a multiple of $10 or, if the
14 revised amount is a multiple of $5, such an amount shall be increased to the next
15 higher multiple of $10. The department of revenue shall annually adjust the changes
16 in dollar amounts required under this paragraph and incorporate the changes into
17 the income tax forms and instructions.

18 **SECTION 14.** 71.09 (11) (f) of the statutes, as created by 2009 Wisconsin Act 28,
19 is amended to read:

20 71.09 **(11)** (f) The taxpayer has underpaid the taxpayer's estimated taxes due
21 to the change in brackets under s. 71.06 (1p) (e) or (f) and (2) (g) 5. or 6. and (h) 5. or
22 6. This paragraph applies only in the first taxable year to which these bracket
23 changes apply.

24 **SECTION 15.** 560.147 of the statutes is created to read:

25 **560.147 Grants for business retooling and retention. (1)** In this section:

1 (a) "Economically distressed area" means any of the following:

2 1. A county, city, or micropolitan statistical area with an unemployment rate
3 of at least 6 percent in 2 or more months during the 12 months preceding the date
4 of the grant application.

5 2. A county, city, or micropolitan statistical area with an average
6 unemployment rate equal to at least 120 percent of the statewide average
7 unemployment rate during the 12 months preceding the date of the grant
8 application.

9 3. A county, city, or micropolitan statistical area with an unemployment rate
10 that has increased by at least 2 percent during the 12 months preceding the date of
11 the grant application.

12 (b) "Micropolitan statistical area" means a geographic area defined by the
13 federal office of management and budget for use by federal agencies in collecting,
14 tabulating, and publishing federal statistics.

15 **(2)** (a) From the appropriation under s. 20.143 (1) (cr), the department may
16 award a grant to a business that applies to the department under this section for
17 capital investments to upgrade or modernize the operations, facilities, or equipment
18 of the business if all of the following are satisfied:

19 1. The operations, facilities, or equipment of the business are located in an
20 economically distressed area of this state.

21 2. The business demonstrates to the satisfaction of the department that the
22 capital investments will result in the retention or creation of jobs.

23 (b) The department shall award grants on a competitive basis and shall give
24 priority to a business that has established or that proposes to establish a partnership

with a technical college district board for the purpose of providing skill training or retraining to meet the specific workforce needs of that business.

(3) The department shall promulgate rules to implement and administer this section. The rules under this subsection shall include limits on the amount of a grant to be awarded under this section to ensure that grant moneys are distributed to as many eligible businesses as possible and will result in the retention or creation of as many jobs as possible.

SECTION 16. 560.205 (3) (d) of the statutes, as affected by 2009 Wisconsin Act 2, is amended to read:

560.205 **(3)** (d) *Rules.* The department of commerce, in consultation with the department of revenue, shall promulgate rules to administer this section. The rules shall further define "bona fide angel investment" for purposes of s. 71.07 (5d) (a) 1. The rules shall limit the aggregate amount of tax credits under s. 71.07 (5d) that may be claimed for investments in businesses certified under sub. (1) at $3,000,000 per calendar year for calendar years beginning after December 31, 2004, and before January 1, 2008, $5,500,000 per calendar year for calendar years beginning after December 31, 2007, <u>and before January 1, 2010, $7,500,000 per calendar year for calendar years beginning after December 31, 2009,</u> and before January 1, 2011, and ~~$18,000,000~~ <u>$20,000,000</u> per calendar year for calendar years beginning after December 31, 2010, plus, for taxable years beginning after December 31, 2010, an additional $250,000 for tax credits that may be claimed for investments in nanotechnology businesses certified under sub. (1). The rules shall also limit the aggregate amount of the tax credits under ss. 71.07 (5b), 71.28 (5b), 71.47 (5b), and 76.638 that may be claimed for investments paid to fund managers certified under sub. (2) at $3,500,000 per calendar year for calendar years beginning after December

31, 2004, and before January 1, 2008, $6,000,000 per calendar year for calendar years beginning after December 31, 2007, and before January 1, 2011, and $18,500,000 per calendar year for calendar years beginning after December 31, 2010, plus, for taxable years beginning after December 31, 2010, an additional $250,000 for tax credits that may be claimed for investments in nanotechnology businesses certified under sub. (1). The rules shall also provide that, for calendar years beginning after December 31, 2007, no person may receive a credit under ss. 71.07 (5b) and (5d), 71.28 (5b), 71.47 (5b), or 76.638 unless the person's investment is kept in a certified business, or with a certified fund manager, for no less than 3 years.

SECTION 9110. Nonstatutory provisions; Commerce.

(1) RULE MAKING.

(a) The department of commerce shall submit in proposed form the rules required under section 560.147 (3) of the statutes, as created by this act, no later than the first day of the 4th month beginning after the effective date of this paragraph.

(b) Using the emergency rules procedure under section 227.24 of the statutes, the department of commerce shall promulgate the rules required under section 560.147 (3) of the statutes, as created by this act, for purposes of implementing the grant program under section 560.147 of the statutes, as created by this act, for the period before the effective date of the rules submitted under paragraph (a). The department of commerce shall promulgate these emergency rules no later than the first day of the 4th month beginning after the effective date of this paragraph. Notwithstanding section 227.24 (1) (c) and (2) of the statutes, emergency rules promulgated under this subsection remain in effect until July 1, 2010, or until the date on which permanent rules take effect, whichever is sooner. Notwithstanding section 227.24 (1) (a) and (3) of the statutes, the department is not required to provide

1 evidence that promulgating a rule under this subsection as an emergency rule is
2 necessary for the preservation of the public peace, health, safety, or welfare and is
3 not required to provide a finding of emergency for a rule promulgated under this
4 subsection.

5 (c) Notwithstanding sections 227.137 (2) and 227.138 (2) of the statutes, if the
6 secretary of administration requires the department of commerce to prepare an
7 economic impact report for the rules required under section 560.147 (3) of the
8 statutes, as created by this act, the department may submit the proposed rules to the
9 legislature for review under section 227.19 (2) of the statutes before the department
10 completes the economic impact report and before the department receives a copy of
11 the report and approval under section 227.138 (2) of the statutes.

12 **SECTION 9148. Nonstatutory provisions; Technical College System**

13 (1) RULES. Using the procedure under section 227.24 of the statutes, the
14 technical college system board shall promulgate rules required under section 38.31
15 (8) of the statutes, as created by this act, for the period before the effective date of the
16 permanent rules promulgated under that section, but not to exceed the period
17 authorized under section 227.24 (1) (c) and (2) of the statutes. Notwithstanding
18 section 227.24 (1) (a), (2) (b), and (3) of the statutes, the technical college system
19 board is not required to provide evidence that promulgating a rule under this
20 subsection as an emergency rule is necessary for the preservation of public peace,
21 health, safety, or welfare and is not required to provide a finding of an emergency for
22 a rule promulgated under this subsection.

23 **SECTION 9223. Fiscal changes; Higher Educational Aids Board.**

24 (1) WISCONSIN HIGHER EDUCATION GRANTS; UNIVERSITY OF WISCONSIN SYSTEM
25 STUDENTS. In the schedule under section 20.005 (3) of the statutes for the

appropriation to the higher educational aids board under section 20.235 (1) (fe) of the statutes, as affected by the acts of 2009, the dollar amount is increased by $5,563,900 for the first fiscal year of the fiscal biennium in which this subsection takes effect for the purpose for which the appropriation is made. In the schedule under section 20.005 (3) of the statutes for the appropriation to the higher educational aids board under section 20.235 (1) (fe) of the statutes, as affected by the acts of 2009, the dollar amount is increased by $11,504,800 for the second fiscal year of the fiscal biennium in which this subsection takes effect for the purpose for which the appropriation is made.

(2) WISCONSIN HIGHER EDUCATION GRANTS; TECHNICAL COLLEGE STUDENTS. In the schedule under section 20.005 (3) of the statutes for the appropriation to the higher educational aids board under section 20.235 (1) (ff) of the statutes, as affected by the acts of 2009, the dollar amount is increased by $7,993,000 for the first fiscal year of the fiscal biennium in which this subsection takes effect for the purpose for which the appropriation is made. In the schedule under section 20.005 (3) of the statutes for the appropriation to the higher educational aids board under section 20.235 (1) (ff) of the statutes, as affected by the acts of 2009, the dollar amount is increased by $16,123,800 for the second fiscal year of the fiscal biennium in which this subsection takes effect for the purpose for which the appropriation is made.

(3) WISCONSIN HIGHER EDUCATION GRANTS; TRIBAL COLLEGE STUDENTS. In the schedule under section 20.005 (3) of the statutes for the appropriation to the higher educational aids board under section 20.235 (1) (km) of the statutes, as affected by the acts of 2009, the dollar amount is increased by $108,300 for the first fiscal year of the fiscal biennium in which this subsection takes effect for the purpose for which the appropriation is made. In the schedule under section 20.005 (3) of the statutes

for the appropriation to the higher educational aids board under section 20.235 (1) (km) of the statutes, as affected by the acts of 2009, the dollar amount is increased by $263,700 for the second fiscal year of the fiscal biennium in which this subsection takes effect for the purpose for which the appropriation is made.

(4) TUITION GRANTS. In the schedule under section 20.005 (3) of the statutes for the appropriation to the higher educational aids board under section 20.235 (1) (b) of the statutes, as affected by the acts of 2009, the dollar amount is increased by $1,867,500 for the first fiscal year of the fiscal biennium in which this subsection takes effect for the purpose for which the appropriation is made. In the schedule under section 20.005 (3) of the statutes for the appropriation to the higher educational aids board under section 20.235 (1) (b) of the statutes, as affected by the acts of 2009, the dollar amount is increased by $3,179,200 for the second fiscal year of the fiscal biennium in which this subsection takes effect for the purpose for which the appropriation is made.

SECTION 9343. Initial applicability; Revenue.

(1) INDIVIDUAL INCOME TAX BRACKETS. The treatment of sections 71.06 (1p) (e) and (f) and (2) (g) 5. and 6. and (h) 5. and 6. and 71.09 (11) (f) of the statutes first applies to taxable years beginning on January 1, 2009.

(END)

Parisi, Lori

From: Selkowe, Vicky
Sent: Monday, September 28, 2009 10:01 AM
To: LRB.Legal
Subject: Draft Review: LRB 09-3391/1 Topic: Wisconsin jobs initiative

Please Jacket LRB 09-3391/1 for the ASSEMBLY.