

2009 DRAFTING REQUEST

Bill

Received: 08/07/2009

Received By: jkreye

Wanted: As time permits

Identical to LRB:

For: Joseph Leibham (608) 266-2056

By/Representing: sean

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Addl. Drafters:

Subject: Tax, Business - credits

Extra Copies:

Submit via email: YES

Requester's email: Sen.Leibham@legis.wisconsin.gov

Carbon copy (CC:) to: joseph.kreye@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Tax credit for the purchase or manufacturing of insulating concrete forms

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 08/07/2009			_____			S&L
/P1			phenry 08/07/2009	_____	cduerst 08/07/2009		S&L
/P2	jkreye 09/16/2009	kfollett 09/16/2009	phenry 09/16/2009	_____	lparisi 09/16/2009		S&L
/P3	jkreye	kfollett	rschluet	_____	cduerst		S&L

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	11/06/2009	11/09/2009	11/09/2009	_____	11/09/2009		
/1	jkreye 01/06/2010	kfollett 01/06/2010	rschluet 01/06/2010	_____ _____	cduerst 01/06/2010	cduerst 01/06/2010	

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↳ At Intro.

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/P3	jkreye	kfollett	rschluet 16/10	1/6/11/15	cduerst		

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Handwritten signatures and initials:
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Kra 11
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1/3 PI	jkreye	1/PI KJF	8/7 ph	9/7 ph/le			

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FE Sent For:

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2009 BILL

in 7-27-09

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1 AN ACT *to amend* 71.05 (6) (a) 15., 71.21 (4), 71.26 (2) (a) 4., 71.34 (1k) (g), 71.45
 2 (2) (a) 10. and 77.92 (4); and *to create* 71.07 (3r), 71.10 (4) (cr), 71.28 (3r), 71.30
 3 (3) (dn), 71.47 (3r) and 71.49 (1) (dn) of the statutes; **relating to:** income and
 4 franchise tax credits for insulating concrete forms used to construct a building
 5 and energy efficient products

Analysis by the Legislative Reference Bureau

X This bill creates an income and franchise tax credit equal to the amount that the taxpayer pays in the taxable year to purchase or manufacture insulating concrete forms used to construct a building and energy efficient products. If the amount of the credit exceeds the taxpayer's tax liability, the taxpayer does not receive a refund, but may claim the amount of any unused credit in subsequent taxable years.

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:

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

BILL

SECTION 12

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

INJECT
8-11

SECTION 13. Initial applicability.

12
 13 (1) This act first applies to taxable years beginning on January 1 of the year
 14 in which this subsection takes effect, except that if this subsection takes effect after
 15 July 31 this act first applies to taxable years beginning on January 1 of the year
 16 following the year in which this subsection takes effect.

(END)

2010

D-Note

BILL

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

INJECT 8-6

7 SECTION 2. 71.07 (3r) of the statutes is created to read:

8 71.07 (3r) INSULATING CONCRETE FORMS AND ENERGY EFFICIENT PRODUCTS CREDIT.

9 (a) *Definitions.* In this subsection:

- 10 1. "Claimant" means a person who files a claim under this subsection.
- 11 2. "Insulating concrete form" means a hollow expandable polystyrene form
- 12 system that is filled with concrete and includes the concrete used to fill the form.

13 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
 14 claimant may claim as a credit against the taxes imposed under s. 71.02, up to the
 15 amount of the taxes, an amount equal to the amount that the claimant paid in the
 16 taxable year to purchase any of the following for use in this state, or to manufacture
 17 any of the following in this state:

18 1. Insulating concrete forms used to construct the insulated exterior walls of
 19 any building.

20 2. Any item of tangible personal property that is governed by and satisfies any
 21 of the following standards for energy efficiency:

- 22 a. The 2001 supplement of the 2000 International Energy Conservation Code.
- 23 b. The 2004 supplement of the 2003 International Energy Conservation Code.

BILL

1 c. The 2007 energy efficiency guidelines established by the federal
2 environmental protection agency and the federal department of energy under the
3 Energy Star program.

4 (c) *Limitations.* 1. No person may claim a credit under this subsection for any
5 item for which the person has received a rebate under any state program, including
6 a state program operated in conjunction with private entities.

7 2. Partnerships, limited liability companies, and tax-option corporations may
8 not claim the credit under this subsection, but the eligibility for, and the amount of,
9 the credit are based on their payment of the amounts described under par. (b). A
10 partnership, limited liability company, or tax-option corporation shall compute the
11 amount of credit that each of its partners, members, or shareholders may claim and
12 shall provide that information to each of them. Partners, members of limited liability
13 companies, and shareholders of tax-option corporations may claim the credit in
14 proportion to their ownership interests.

15 (d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under
16 s. 71.28 (4), applies to the credit under this subsection.

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

18 71.10 (4) (cr) Insulating concrete forms and energy efficient products credit
19 under s. 71.07 (3r) (3x)

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

21 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
22 (2dj), (2dL), (2dm), (2ds), (2dx), (3g), (3h), (3n), (3p), (3r), (3s), (3t), (3w), (5e), (5f), (5g),
23 (5h), (5i), (5j), and (5k) and passed through to partners shall be added to the
24 partnership's income.

25 **SECTION 5.** 71.26 (2) (a) 4. of the statutes is amended to read:

BILL

SECTION 5

1 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dd),
 2 (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (3g), (3h), (3n), (3p), (3r), (3t), (3w), (5e),
 3 (5f), (5g), (5h), (5i), (5j), and (5k) and not passed through by a partnership, limited
 4 liability company, or tax-option corporation that has added that amount to the
 5 partnership's, limited liability company's, or tax-option corporation's income under
 6 s. 71.21 (4) or 71.34 (1k) (g).

IN/OUT
4-6

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7 **SECTION 6.** 71.28 (3r) of the statutes is created to read:

8 71.28 (3r) INSULATING CONCRETE FORMS AND ENERGY EFFICIENT PRODUCTS CREDIT

9 (a) *Definitions.* In this subsection:

10 1. "Claimant" means a person who files a claim under this subsection.

11 2. "Insulating concrete form" means a hollow expandable polystyrene form
12 system that is filled with concrete and includes the concrete used to fill the form.

13 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
14 claimant may claim as a credit against the taxes imposed under s. 71.23, up to the
15 amount of the taxes, an amount equal to the amount that the claimant paid in the
16 taxable year to purchase any of the following for use in this state, or to manufacture

17 any of the following in this state:

18 1. Insulating concrete forms used to construct the insulated exterior walls of
19 any building.

20 2. Any item of tangible personal property that is governed by and satisfies any
21 of the following standards for energy efficiency:

22 a. The 2001 supplement of the 2000 International Energy Conservation Code.

23 b. The 2004 supplement of the 2003 International Energy Conservation Code.

no 97

BILL

1 c. The 2007 energy efficiency guidelines established by the federal
2 environmental protection agency and the federal department of energy under the
3 Energy Star program.

4 (c) *Limitations.* 1. No person may claim a credit under this subsection for any
5 item for which the person has received a rebate under any state program, including
6 a state program operated in conjunction with private entities.

7 2. Partnerships, limited liability companies, and tax-option corporations may
8 not claim the credit under this subsection, but the eligibility for, and the amount of,
9 the credit are based on their payment of the amounts described under par. (b). A
10 partnership, limited liability company, or tax-option corporation shall compute the
11 amount of credit that each of its partners, members, or shareholders may claim and
12 shall provide that information to each of them. Partners, members of limited liability
13 companies, and shareholders of tax-option corporations may claim the credit in
14 proportion to their ownership interests.

15 (d) *Administration.* Subsection (4) (e) to (h), as it applies to the credit under
16 sub. (4), applies to the credit under this subsection.

17 **SECTION 7.** 71.30 (3) (dn) of the statutes is created to read:

18 71.30 (3) (dn) Insulating concrete forms and energy efficient products credit
19 under s. 71.28 (3r) (3x)

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

21 71.34 (1k) (g) An addition shall be made for credits computed by a tax-option
22 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (3), (3g),
23 (3h), (3n), (3p), (3r), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), and (5k) and passed
24 through to shareholders.

25 **SECTION 9.** 71.45 (2) (a) 10. of the statutes is amended to read:

BILL

SECTION 9

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

INVENT
6-6

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credit
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in

7 **SECTION 10.** 71.47 ^(3r) of the statutes is created to read:

8 ^(3x) 71.47 ^(3r) INSULATING CONCRETE FORMS AND ENERGY EFFICIENT PRODUCTS CREDIT

9 (a) *Definitions.* In this subsection:

10 1. "Claimant" means a person who files a claim under this subsection.

11 2. "Insulating concrete form" means a hollow expandable polystyrene form
12 system that is filled with concrete and includes the concrete used to fill the form.

13 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
14 claimant may claim as a credit against the taxes imposed under s. 71.43, up to the
15 amount of the taxes, an amount equal to the amount that the claimant paid in the
16 taxable year to purchase any of the following for use in this state, or to manufacture

17 any of the following in this state:

18 1. ^{no #} Insulating concrete forms used to construct the insulated exterior walls of
19 any building.

20 2. Any item of tangible personal property that is governed by and satisfies any
21 of the following standards for energy efficiency:

- 22 a. The 2001 supplement of the 2000 International Energy Conservation Code.
- 23 b. The 2004 supplement of the 2003 International Energy Conservation Code.

BILL

1 c. The 2007 energy efficiency guidelines established by the federal
2 environmental protection agency and the federal department of energy under the
3 Energy Star program.

4 (c) *Limitations.* 1. No person may claim a credit under this subsection for any
5 item for which the person has received a rebate under any state program, including
6 a state program operated in conjunction with private entities.

7 2. Partnerships, limited liability companies, and tax-option corporations may
8 not claim the credit under this subsection, but the eligibility for, and the amount of,
9 the credit are based on their payment of the amounts described under par. (b). A
10 partnership, limited liability company, or tax-option corporation shall compute the
11 amount of credit that each of its partners, members, or shareholders may claim and
12 shall provide that information to each of them. Partners, members of limited liability
13 companies, and shareholders of tax-option corporations may claim the credit in
14 proportion to their ownership interests.

15 (d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under
16 s. 71.28 (4), applies to the credit under this subsection.

17 **SECTION 11.** 71.49 (1) (dn) of the statutes is created to read:

18 71.49 (1) (dn) Insulating concrete forms ~~and energy efficient products~~ credit
19 under s. 71.47 (3r) (3x)

20 **SECTION 12.** 77.92 (4) of the statutes is amended to read:

21 77.92 (4) "Net business income," with respect to a partnership, means taxable
22 income as calculated under section 703 of the Internal Revenue Code; plus the items
23 of income and gain under section 702 of the Internal Revenue Code, including taxable
24 state and municipal bond interest and excluding nontaxable interest income or
25 dividend income from federal government obligations; minus the items of loss and

Insert 2 - 6

1 **SECTION 1.** 71.05 (6) (a) 15. of the statutes, as affected by 2009 Wisconsin Acts
2 2 and 28, is amended to read:

3 71.05 **(6)** (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),
4 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3s),
5 (3t), (3w), ~~(3x)~~, (5e), (5f), (5h), (5i), (5j), (5k), and (8r) and not passed through by a
6 partnership, limited liability company, or tax-option corporation that has added that
7 amount to the partnership's, company's, or tax-option corporation's income under s.
8 71.21 (4) or 71.34 (1k) (g).

History: 2009 a. 28.

Insert 4 - 6

9 **SECTION 2.** 71.21 (4) of the statutes, as affected by 2009 Wisconsin Acts 2 and
10 28, is amended to read:

11 71.21 **(4)** Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
12 (2dj), (2dL), (2dm), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3s), (3t), (3w),
13 ~~(3x)~~, (5e), (5f), (5g), (5h), (5i), (5j), (5k), and (8r) and passed through to partners shall
14 be added to the partnership's income.

History: 2009 a. 28.

15 **SECTION 3.** 71.26 (2) (a) 4. of the statutes, as affected by 2009 Wisconsin Acts
16 2 and 28, is amended to read:

17 71.26 **(2)** (a) 4. Plus the amount of the credit computed under s. 71.28 (1dd),
18 (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3t),
19 (3w), ~~(3x)~~, (5e), (5f), (5g), (5h), (5i), (5j), (5k), and (8r) and not passed through by a
20 partnership, limited liability company, or tax-option corporation that has added that

1 amount to the partnership's, limited liability company's, or tax-option corporation's
2 income under s. 71.21 (4) or 71.34 (1k) (g).

History: 2009 a. 28.

Insert 6 - 6

3 **SECTION 4.** 71.34 (1k) (g) of the statutes, as affected by 2009 Wisconsin Acts 2
4 and 28, is amended to read:

5 71.34 (1k) (g) An addition shall be made for credits computed by a tax-option
6 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy),
7 (3), (3g), (3h), (3n), (3p), (3q), (3r), (3t), (3w), (3x), (5e), (5f), (5g), (5h), (5i), (5j), (5k),
8 and (8r) and passed through to shareholders.

History: 2009 a. 28.

9 **SECTION 5.** 71.45 (2) (a) 10. of the statutes, as affected by 2009 Wisconsin Acts
10 2 and 28, is amended to read:

11 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
12 computed under s. 71.47 (1dd) to (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3w), (3x), (5e),
13 (5f), (5g), (5h), (5i), (5j), (5k), and (8r) and not passed through by a partnership,
14 limited liability company, or tax-option corporation that has added that amount to
15 the partnership's, limited liability company's, or tax-option corporation's income
16 under s. 71.21 (4) or 71.34 (1k) (g) and the amount of credit computed under s. 71.47
17 (1), (3), (3t), (4), (4m), and (5).

History: 2009 a. 28.

Insert 8 - 11

18

SECTION 6. 77.92 (4) of the statutes, as affected by 2009 Wisconsin Act 2 and
19 28, is amended to read:

5

20 77.92 (4) "Net business income," with respect to a partnership, means taxable
21 income as calculated under section 703 of the Internal Revenue Code; plus the items

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

History: 2009 a. 28.

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

LRB-3198/?dn

JK...

pl
gf

Date

Senator Leibham:

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

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

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

LRB-3258/P1dn
JK:kjf:ph

August 7, 2009

Senator Leibham:

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

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

Kreye, Joseph

From: Stephenson, Sean
Sent: Wednesday, September 16, 2009 10:52 AM
To: Kreye, Joseph
Subject: Draft review: LRB 09-3258/P1 Topic: Tax credit for the purchase or manufacturing of insulating concrete forms
Attachments: LRB-3258_P1; LRB-3258_P1 Drafters_Note

Joe,

One change please section 6, page 4 line 7, can you also add interior walls as well? So it can read *insulating concrete forms used to construct the insulated exterior AND INTERIOR walls of any building.*

Could you make this change and send me a copy today? The Senator, wants to review it when he is in the office tomorrow

Thanks you.

Sean

Sean Stephenson
Office of Senator Joe Leibham
Sean.Stephenson@legis.wisconsin.gov
888.295.8750
P.O. Box 7882
Madison, WI 53707-7882

From: Duerst, Christina
Sent: Friday, August 07, 2009 9:42 AM
To: Sen.Leibham
Subject: Draft review: LRB 09-3258/P1 Topic: Tax credit for the purchase or manufacturing of insulating concrete forms

Following is the PDF version of draft LRB 09-3258/P1 and drafter's note.



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-3258/P1
JK:kjf:ph

PL
RML

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

in 9-16-09

Regen

Today

1 AN ACT *to amend* 71.05 (6) (a) 15., 71.21 (4), 71.26 (2) (a) 4., 71.34 (1k) (g), 71.45
2 (2) (a) 10. and 77.92 (4); and *to create* 71.07 (3x), 71.10 (4) (cr), 71.28 (3x), 71.30
3 (3) (dn), 71.47 (3x) and 71.49 (1) (dn) of the statutes; **relating to:** income and
4 franchise tax credits for insulating concrete forms used to construct a building.

Analysis by the Legislative Reference Bureau

This bill creates an income and franchise tax credit equal to the amount that the taxpayer pays in the taxable year to purchase or manufacture insulating concrete forms used to construct a building. If the amount of the credit exceeds the taxpayer's tax liability, the taxpayer does not receive a refund, but may claim the amount of any unused credit in subsequent taxable years.

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:

5 SECTION 1. 71.05 (6) (a) 15. of the statutes, as affected by 2009 Wisconsin Acts
6 2 and 28, is amended to read:

1 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),
2 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3s),
3 (3t), (3w), (3x), (5e), (5f), (5h), (5i), (5j), (5k), and (8r) and not passed through by a
4 partnership, limited liability company, or tax-option corporation that has added that
5 amount to the partnership's, company's, or tax-option corporation's income under s.
6 71.21 (4) or 71.34 (1k) (g).

7 **SECTION 2.** 71.07 (3x) of the statutes is created to read:

8 71.07 (3x) INSULATING CONCRETE FORMS CREDIT. (a) *Definitions.* In this
9 subsection:

10 1. "Claimant" means a person who files a claim under this subsection.

11 2. "Insulating concrete form" means a hollow expandable polystyrene form
12 system that is filled with concrete and includes the concrete used to fill the form.

13 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
14 claimant may claim as a credit against the taxes imposed under s. 71.02, up to the
15 amount of the taxes, an amount equal to the amount that the claimant paid in the
16 taxable year to purchase for use in this state, or to manufacture in this state,
17 insulating concrete forms used to construct the insulated exterior walls of any
18 building.

19 (c) *Limitations.* Partnerships, limited liability companies, and tax-option
20 corporations may not claim the credit under this subsection, but the eligibility for,
21 and the amount of, the credit are based on their payment of the amounts described
22 under par. (b). A partnership, limited liability company, or tax-option corporation
23 shall compute the amount of credit that each of its partners, members, or
24 shareholders may claim and shall provide that information to each of them.

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

3 (d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under
4 s. 71.28 (4), applies to the credit under this subsection.

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

6 71.10 (4) (cr) Insulating concrete forms credit under s. 71.07 (3x).

7 **SECTION 4.** 71.21 (4) of the statutes, as affected by 2009 Wisconsin Acts 2 and
8 28, is amended to read:

9 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
10 (2dj), (2dL), (2dm), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3s), (3t), (3w),
11 (3x), (5e), (5f), (5g), (5h), (5i), (5j), (5k), and (8r) and passed through to partners shall
12 be added to the partnership's income.

13 **SECTION 5.** 71.26 (2) (a) 4. of the statutes, as affected by 2009 Wisconsin Acts
14 2 and 28, is amended to read:

15 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dd),
16 (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3t),
17 (3w), (3x), (5e), (5f), (5g), (5h), (5i), (5j), (5k), and (8r) and not passed through by a
18 partnership, limited liability company, or tax-option corporation that has added that
19 amount to the partnership's, limited liability company's, or tax-option corporation's
20 income under s. 71.21 (4) or 71.34 (1k) (g).

21 **SECTION 6.** 71.28 (3x) of the statutes is created to read:

22 71.28 (3x) INSULATING CONCRETE FORMS CREDIT. (a) *Definitions.* In this
23 subsection:

24 1. "Claimant" means a person who files a claim under this subsection.

1 2. "Insulating concrete form" means a hollow expandable polystyrene form
2 system that is filled with concrete and includes the concrete used to fill the form.

3 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
4 claimant may claim as a credit against the taxes imposed under s. 71.23, up to the
5 amount of the taxes, an amount equal to the amount that the claimant paid in the
6 taxable year to purchase for use in this state, or to manufacture in this state,
7 insulating concrete forms used to construct the insulated exterior walls of any
8 building. *and interior*

9 (c) *Limitations.* Partnerships, limited liability companies, and tax-option
10 corporations may not claim the credit under this subsection, but the eligibility for,
11 and the amount of, the credit are based on their payment of the amounts described
12 under par. (b). A partnership, limited liability company, or tax-option corporation
13 shall compute the amount of credit that each of its partners, members, or
14 shareholders may claim and shall provide that information to each of them.
15 Partners, members of limited liability companies, and shareholders of tax-option
16 corporations may claim the credit in proportion to their ownership interests.

17 (d) *Administration.* Subsection (4) (e) to (h), as it applies to the credit under
18 sub. (4), applies to the credit under this subsection.

19 **SECTION 7.** 71.30 (3) (dn) [✓] of the statutes is created to read:

20 71.30 (3) (dn) Insulating concrete forms credit under s. 71.28 (3x).

21 **SECTION 8.** 71.34 (1k) (g) [✓] of the statutes, as affected by 2009 Wisconsin Acts 2
22 and 28, is amended to read:

23 71.34 (1k) (g) An addition shall be made for credits computed by a tax-option
24 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy),

1 (3), (3g), (3h), (3n), (3p), (3q), (3r), (3t), (3w), (3x), (5e), (5f), (5g), (5h), (5i), (5j), (5k),
2 and (8r) and passed through to shareholders.

3 **SECTION 9.** 71.45 (2) (a) 10. of the statutes, as affected by 2009 Wisconsin Acts
4 2 and 28, is amended to read:

5 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
6 computed under s. 71.47 (1dd) to (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3w), (3x), (5e),
7 (5f), (5g), (5h), (5i), (5j), (5k), and (8r) and not passed through by a partnership,
8 limited liability company, or tax-option corporation that has added that amount to
9 the partnership's, limited liability company's, or tax-option corporation's income
10 under s. 71.21 (4) or 71.34 (1k) (g) and the amount of credit computed under s. 71.47
11 (1), (3), (3t), (4), (4m), and (5).

12 **SECTION 10.** 71.47 (3x) of the statutes is created to read:

13 71.47 (3x) INSULATING CONCRETE FORMS CREDIT. (a) *Definitions.* In this
14 subsection:

15 1. "Claimant" means a person who files a claim under this subsection.

16 2. "Insulating concrete form" means a hollow expandable polystyrene form
17 system that is filled with concrete and includes the concrete used to fill the form.

18 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
19 claimant may claim as a credit against the taxes imposed under s. 71.43, up to the
20 amount of the taxes, an amount equal to the amount that the claimant paid in the
21 taxable year to purchase for use in this state, or to manufacture in this state,
22 insulating concrete forms used to construct the insulated exterior walls of any
23 building. and interior

24 (c) *Limitations.* Partnerships, limited liability companies, and tax-option
25 corporations may not claim the credit under this subsection, but the eligibility for,

1 and the amount of, the credit are based on their payment of the amounts described
2 under par. (b). A partnership, limited liability company, or tax-option corporation
3 shall compute the amount of credit that each of its partners, members, or
4 shareholders may claim and shall provide that information to each of them.
5 Partners, members of limited liability companies, and shareholders of tax-option
6 corporations may claim the credit in proportion to their ownership interests.

7 (d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under
8 s. 71.28 (4), applies to the credit under this subsection.

9 **SECTION 11.** 71.49 (1) (dn) of the statutes is created to read:

10 71.49 (1) (dn) Insulating concrete forms credit under s. 71.47 (3x).

11 **SECTION 12.** 77.92 (4) of the statutes, as affected by 2009 Wisconsin Acts 2 and
12 28, is amended to read:

13 77.92 (4) "Net business income," with respect to a partnership, means taxable
14 income as calculated under section 703 of the Internal Revenue Code; plus the items
15 of income and gain under section 702 of the Internal Revenue Code, including taxable
16 state and municipal bond interest and excluding nontaxable interest income or
17 dividend income from federal government obligations; minus the items of loss and
18 deduction under section 702 of the Internal Revenue Code, except items that are not
19 deductible under s. 71.21; plus guaranteed payments to partners under section 707
20 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),
21 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3s),
22 (3t), (3w), (3x), (5e), (5f), (5g), (5h), (5i), (5j), (5k), and (8r); and plus or minus, as
23 appropriate, transitional adjustments, depreciation differences, and basis
24 differences under s. 71.05 (13), (15), (16), (17), and (19); but excluding income, gain,
25 loss, and deductions from farming. "Net business income," with respect to a natural

1 person, estate, or trust, means profit from a trade or business for federal income tax
2 purposes and includes net income derived as an employee as defined in section 3121
3 (d) (3) of the Internal Revenue Code.

4 **SECTION 13. Initial applicability.**

5 (1) This act first applies to taxable years beginning on January 1, 2010.

6 (END)

Kreye, Joseph

From: Stephenson, Sean
Sent: Friday, November 06, 2009 3:53 PM
To: Kreye, Joseph
Subject: RE: Draft review: LRB 09-3258/P1 Topic: Tax credit for the purchase or manufacturing of insulating concrete forms
Attachments: 09-3258P2.pdf

Joe,

Hey my boss would like to make further modifications to the bill.

He would like to narrow the scope of the bill so that the tax credit is applied to only the purchasing of insulated concrete forms and eliminate the tax credit for the manufacturing of insulating concrete forms.

Also, would the fiscal note be lower if we made this a tax deduction instead of a tax credit? We are trying to make this as palatable as possible.

Let me know your thoughts.

Sean

Sean Stephenson
Office of Senator Joe Leibham
Sean.Stephenson@legis.wisconsin.gov
888.295.8750
P.O. Box 7882
Madison, WI 53707-7882

From: Kreye, Joseph
Sent: Wednesday, September 16, 2009 10:52 AM
To: Stephenson, Sean
Subject: RE: Draft review: LRB 09-3258/P1 Topic: Tax credit for the purchase or manufacturing of insulating concrete forms

Will do.

Joseph T. Kreye
Senior Legislative Attorney
Legislative Reference Bureau
(608) 266-2263

From: Stephenson, Sean
Sent: Wednesday, September 16, 2009 10:52 AM
To: Kreye, Joseph
Subject: Draft review: LRB 09-3258/P1 Topic: Tax credit for the purchase or manufacturing of insulating concrete forms

11/06/2009

Joe,

One change please section 6, page 4 line 7, can you also add interior walls as well? So it can read *insulating concrete forms used to construct the insulated exterior AND INTERIOR walls of any building.*

Could you make this change and send me a copy today? The Senator, wants to review it when he is in the office tomorrow

Thanks you.

Sean

Sean Stephenson

Office of Senator Joe Leibham

Sean.Stephenson@legis.wisconsin.gov

888.295.8750

P.O. Box 7882

Madison, WI 53707-7882

From: Duerst, Christina

Sent: Friday, August 07, 2009 9:42 AM

To: Sen.Leibham

Subject: Draft review: LRB 09-3258/P1 Topic: Tax credit for the purchase or manufacturing of insulating concrete forms

Following is the PDF version of draft LRB 09-3258/P1 and drafter's note.



RMR

83

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

SOON

in 11-6-09

Rezen

1 AN ACT *to amend* 71.05 (6) (a) 15., 71.21 (4), 71.26 (2) (a) 4., 71.34 (1k) (g), 71.45
 2 (2) (a) 10. and 77.92 (4); and *to create* 71.07 (3x), 71.10 (4) (cr), 71.28 (3x), 71.30
 3 (3) (dn), 71.47 (3x) and 71.49 (1) (dn) of the statutes; **relating to:** income and
 4 franchise tax credits for insulating concrete forms used to construct a building.

Analysis by the Legislative Reference Bureau

This bill creates an income and franchise tax credit equal to the amount that the taxpayer pays in the taxable year to purchase or manufacture insulating concrete forms used to construct a building. If the amount of the credit exceeds the taxpayer's tax liability, the taxpayer does not receive a refund, but may claim the amount of any unused credit in subsequent taxable years.

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:

5 SECTION 1. 71.05 (6) (a) 15. of the statutes, as affected by 2009 Wisconsin Acts
 6 2 and 28, is amended to read:

1 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),
2 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3s),
3 (3t), (3w), (3x), (5e), (5f), (5h), (5i), (5j), (5k), and (8r) and not passed through by a
4 partnership, limited liability company, or tax-option corporation that has added that
5 amount to the partnership's, company's, or tax-option corporation's income under s.
6 71.21 (4) or 71.34 (1k) (g).

7 **SECTION 2.** 71.07 (3x) of the statutes is created to read:

8 71.07 (3x) INSULATING CONCRETE FORMS CREDIT. (a) *Definitions.* In this
9 subsection:

10 1. "Claimant" means a person who files a claim under this subsection.

11 2. "Insulating concrete form" means a hollow expandable polystyrene form
12 system that is filled with concrete and includes the concrete used to fill the form.

13 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
14 claimant may claim as a credit against the taxes imposed under s. 71.02, up to the
15 amount of the taxes, an amount equal to the amount that the claimant paid in the
16 taxable year to purchase for use in this state, or to manufacture in this state,
17 insulating concrete forms used to construct the insulated exterior and interior walls
18 of any building.

19 (c) *Limitations.* Partnerships, limited liability companies, and tax-option
20 corporations may not claim the credit under this subsection, but the eligibility for,
21 and the amount of, the credit are based on their payment of the amounts described
22 under par. (b). A partnership, limited liability company, or tax-option corporation
23 shall compute the amount of credit that each of its partners, members, or
24 shareholders may claim and shall provide that information to each of them.

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

3 (d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under
4 s. 71.28 (4), applies to the credit under this subsection.

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

6 71.10 (4) (cr) Insulating concrete forms credit under s. 71.07 (3x).

7 **SECTION 4.** 71.21 (4) of the statutes, as affected by 2009 Wisconsin Acts 2 and
8 28, is amended to read:

9 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
10 (2dj), (2dL), (2dm), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3s), (3t), (3w),
11 (3x), (5e), (5f), (5g), (5h), (5i), (5j), (5k), and (8r) and passed through to partners shall
12 be added to the partnership's income.

13 **SECTION 5.** 71.26 (2) (a) 4. of the statutes, as affected by 2009 Wisconsin Acts
14 2 and 28, is amended to read:

15 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dd),
16 (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3t),
17 (3w), (3x), (5e), (5f), (5g), (5h), (5i), (5j), (5k), and (8r) and not passed through by a
18 partnership, limited liability company, or tax-option corporation that has added that
19 amount to the partnership's, limited liability company's, or tax-option corporation's
20 income under s. 71.21 (4) or 71.34 (1k) (g).

21 **SECTION 6.** 71.28 (3x) of the statutes is created to read:

22 71.28 (3x) INSULATING CONCRETE FORMS CREDIT. (a) *Definitions.* In this
23 subsection:

24 1. "Claimant" means a person who files a claim under this subsection.

1 2. "Insulating concrete form" means a hollow expandable polystyrene form
2 system that is filled with concrete and includes the concrete used to fill the form.

3 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
4 claimant may claim as a credit against the taxes imposed under s. 71.23, up to the
5 amount of the taxes, an amount equal to the amount that the claimant paid in the
6 taxable year to purchase for use in this state, or to manufacture in this state,
7 insulating concrete forms used to construct the insulated exterior and interior walls
8 of any building.

9 (c) *Limitations.* Partnerships, limited liability companies, and tax-option
10 corporations may not claim the credit under this subsection, but the eligibility for,
11 and the amount of, the credit are based on their payment of the amounts described
12 under par. (b). A partnership, limited liability company, or tax-option corporation
13 shall compute the amount of credit that each of its partners, members, or
14 shareholders may claim and shall provide that information to each of them.
15 Partners, members of limited liability companies, and shareholders of tax-option
16 corporations may claim the credit in proportion to their ownership interests.

17 (d) *Administration.* Subsection (4) (e) to (h), as it applies to the credit under
18 sub. (4), applies to the credit under this subsection.

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

20 71.30 (3) (dn) Insulating concrete forms credit under s. 71.28 (3x).

21 SECTION 8. 71.34 (1k) (g) of the statutes, as affected by 2009 Wisconsin Acts 2
22 and 28, is amended to read:

23 71.34 (1k) (g) An addition shall be made for credits computed by a tax-option
24 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy),

1 (3), (3g), (3h), (3n), (3p), (3q), (3r), (3t), (3w), (3x), (5e), (5f), (5g), (5h), (5i), (5j), (5k),
2 and (8r) and passed through to shareholders.

3 **SECTION 9.** 71.45 (2) (a) [✓]10. of the statutes, as affected by 2009 Wisconsin Acts
4 2 and 28, is amended to read:

5 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
6 computed under s. 71.47 (1dd) to (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3w), (3x), (5e),
7 (5f), (5g), (5h), (5i), (5j), (5k), and (8r) and not passed through by a partnership,
8 limited liability company, or tax-option corporation that has added that amount to
9 the partnership's, limited liability company's, or tax-option corporation's income
10 under s. 71.21 (4) or 71.34 (1k) (g) and the amount of credit computed under s. 71.47
11 (1), (3), (3t), (4), (4m), and (5).

12 **SECTION 10.** 71.47 (3x) [✓]of the statutes is created to read:

13 71.47 (3x) INSULATING CONCRETE FORMS CREDIT. (a) *Definitions.* In this
14 subsection:

15 1. "Claimant" means a person who files a claim under this subsection.

16 2. "Insulating concrete form" means a hollow expandable polystyrene form
17 system that is filled with concrete and includes the concrete used to fill the form.

18 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
19 claimant may claim as a credit against the taxes imposed under s. 71.43, up to the
20 amount of the taxes, an amount equal to the amount that the claimant paid in the
21 taxable year to purchase for use in this state, or to manufacture in this state,
22 insulating concrete forms used to construct the insulated exterior and interior walls
23 of any building.

24 (c) *Limitations.* Partnerships, limited liability companies, and tax-option
25 corporations may not claim the credit under this subsection, but the eligibility for,

1 and the amount of, the credit are based on their payment of the amounts described
2 under par. (b). A partnership, limited liability company, or tax-option corporation
3 shall compute the amount of credit that each of its partners, members, or
4 shareholders may claim and shall provide that information to each of them.
5 Partners, members of limited liability companies, and shareholders of tax-option
6 corporations may claim the credit in proportion to their ownership interests.

7 (d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under
8 s. 71.28 (4), applies to the credit under this subsection.

9 **SECTION 11.** 71.49 (1) (dn) of the statutes is created to read:

10 71.49 (1) (dn) Insulating concrete forms credit under s. 71.47 (3x).

11 **SECTION 12.** 77.92 (4) of the statutes, as affected by 2009 Wisconsin Acts 2 and
12 28, is amended to read:

13 77.92 (4) "Net business income," with respect to a partnership, means taxable
14 income as calculated under section 703 of the Internal Revenue Code; plus the items
15 of income and gain under section 702 of the Internal Revenue Code, including taxable
16 state and municipal bond interest and excluding nontaxable interest income or
17 dividend income from federal government obligations; minus the items of loss and
18 deduction under section 702 of the Internal Revenue Code, except items that are not
19 deductible under s. 71.21; plus guaranteed payments to partners under section 707
20 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),
21 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3s),
22 (3t), (3w), (3x), (5e), (5f), (5g), (5h), (5i), (5j), (5k), and (8r); and plus or minus, as
23 appropriate, transitional adjustments, depreciation differences, and basis
24 differences under s. 71.05 (13), (15), (16), (17), and (19); but excluding income, gain,
25 loss, and deductions from farming. "Net business income," with respect to a natural

1 person, estate, or trust, means profit from a trade or business for federal income tax
2 purposes and includes net income derived as an employee as defined in section 3121
3 (d) (3) of the Internal Revenue Code.

4 **SECTION 13. Initial applicability.**

5 (1) This act first applies to taxable years beginning on January 1, 2010.

6 (END)

Kreye, Joseph

From: Duerst, Christina
Sent: Wednesday, January 06, 2010 1:16 PM
To: Kreye, Joseph
Subject: FW: Draft review: LRB 09-3258/P3 Topic: Tax credit for the purchase or manufacturing of insulating concrete forms
Importance: High
Attachments: LRB-3258_P3

Can you make this a /1 please? And put "Please Jacket" on the request sheet? They do not want any changes and would like it as soon as possible.

Thanks,
Christina

From: Stephenson, Sean
Sent: Wednesday, January 06, 2010 12:59 PM
To: Duerst, Christina
Subject: FW: Draft review: LRB 09-3258/P3 Topic: Tax credit for the purchase or manufacturing of insulating concrete forms

Christina,

This draft is satisfactory. Can you send the email to jacket it?

Thanks,

Sean

Sean Stephenson
Office of Senator Joe Leibham
Sean.Stephenson@legis.wisconsin.gov
888.295.8750
P.O. Box 7882
Madison, WI 53707-7882

From: Duerst, Christina
Sent: Monday, November 09, 2009 9:12 AM
To: Sen.Leibham
Subject: Draft review: LRB 09-3258/P3 Topic: Tax credit for the purchase or manufacturing of insulating concrete forms

Following is the PDF version of draft LRB 09-3258/P3.



AMR

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

in 1-6-10

Today

1 AN ACT *to amend* 71.05 (6) (a) 15., 71.21 (4), 71.26 (2) (a) 4., 71.34 (1k) (g), 71.45
2 (2) (a) 10. and 77.92 (4); and *to create* 71.07 (3x), 71.10 (4) (cr), 71.28 (3x), 71.30
3 (3) (dn), 71.47 (3x) and 71.49 (1) (dn) of the statutes; **relating to:** income and
4 franchise tax credits for insulating concrete forms used to construct a building.

Analysis by the Legislative Reference Bureau

This bill creates an income and franchise tax credit equal to the amount that the taxpayer pays in the taxable year to purchase insulating concrete forms used to construct a building. If the amount of the credit exceeds the taxpayer's tax liability, the taxpayer does not receive a refund, but may claim the amount of any unused credit in subsequent taxable years.

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:

5
6

SECTION 1. 71.05 (6) (a) 15. of the statutes, as affected by 2009 Wisconsin Acts
2 and 28, is amended to read:

1 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),
2 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3s),
3 (3t), (3w), (3x), (5e), (5f), (5h), (5i), (5j), (5k), and (8r) and not passed through by a
4 partnership, limited liability company, or tax-option corporation that has added that
5 amount to the partnership's, company's, or tax-option corporation's income under s.
6 71.21 (4) or 71.34 (1k) (g).

7 **SECTION 2.** 71.07 (3x) of the statutes[✓] is created to read:

8 71.07 (3x) INSULATING CONCRETE FORMS CREDIT. (a) *Definitions.* In this
9 subsection:

10 1. "Claimant" means a person who files a claim under this subsection.

11 2. "Insulating concrete form" means a hollow expandable polystyrene form
12 system that is filled with concrete and includes the concrete used to fill the form.

13 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
14 claimant may claim as a credit against the taxes imposed under s. 71.02, up to the
15 amount of the taxes, an amount equal to the amount that the claimant paid in the
16 taxable year to purchase for use in this state insulating concrete forms used to
17 construct the insulated exterior and interior walls of any building.

18 (c) *Limitations.* Partnerships, limited liability companies, and tax-option
19 corporations may not claim the credit under this subsection, but the eligibility for,
20 and the amount of, the credit are based on their payment of the amounts described
21 under par. (b). A partnership, limited liability company, or tax-option corporation
22 shall compute the amount of credit that each of its partners, members, or
23 shareholders may claim and shall provide that information to each of them.
24 Partners, members of limited liability companies, and shareholders of tax-option
25 corporations may claim the credit in proportion to their ownership interests.

1 (d) *Administration*. Section 71.28 (4) (e) to (h), as it applies to the credit under
2 s. 71.28 (4), applies to the credit under this subsection.

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

4 71.10 (4) (cr) Insulating concrete forms credit under s. 71.07 (3x).

5 **SECTION 4.** 71.21 (4) of the statutes, as affected by 2009 Wisconsin Acts 2 and

6 28, is amended to read:

7 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
8 (2dj), (2dL), (2dm), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3s), (3t), (3w),
9 (3x), (5e), (5f), (5g), (5h), (5i), (5j), (5k), and (8r) and passed through to partners shall
10 be added to the partnership's income.

11 **SECTION 5.** 71.26 (2) (a) 4. of the statutes, as affected by 2009 Wisconsin Acts

12 2 and 28, is amended to read:

13 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dd),
14 (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3t),
15 (3w), (3x), (5e), (5f), (5g), (5h), (5i), (5j), (5k), and (8r) and not passed through by a
16 partnership, limited liability company, or tax-option corporation that has added that
17 amount to the partnership's, limited liability company's, or tax-option corporation's
18 income under s. 71.21 (4) or 71.34 (1k) (g).

19 **SECTION 6.** 71.28 (3x) of the statutes is created to read:

20 71.28 (3x) INSULATING CONCRETE FORMS CREDIT. (a) *Definitions*. In this
21 subsection:

22 1. "Claimant" means a person who files a claim under this subsection.

23 2. "Insulating concrete form" means a hollow expandable polystyrene form
24 system that is filled with concrete and includes the concrete used to fill the form.

1 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
2 claimant may claim as a credit against the taxes imposed under s. 71.23, up to the
3 amount of the taxes, an amount equal to the amount that the claimant paid in the
4 taxable year to purchase for use in this state insulating concrete forms used to
5 construct the insulated exterior and interior walls of any building.

6 (c) *Limitations.* Partnerships, limited liability companies, and tax-option
7 corporations may not claim the credit under this subsection, but the eligibility for,
8 and the amount of, the credit are based on their payment of the amounts described
9 under par. (b). A partnership, limited liability company, or tax-option corporation
10 shall compute the amount of credit that each of its partners, members, or
11 shareholders may claim and shall provide that information to each of them.
12 Partners, members of limited liability companies, and shareholders of tax-option
13 corporations may claim the credit in proportion to their ownership interests.

14 (d) *Administration.* Subsection (4) (e) to (h), as it applies to the credit under
15 sub. (4), applies to the credit under this subsection.

16 **SECTION 7.** 71.30 (3) (dn) of the statutes is created to read:

17 71.30 (3) (dn) Insulating concrete forms credit under s. 71.28 (3x).

18 **SECTION 8.** 71.34 (1k) (g) of the statutes, as affected by 2009 Wisconsin Acts 2

19 and 28, is amended to read:

20 71.34 (1k) (g) An addition shall be made for credits computed by a tax-option
21 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy),
22 (3), (3g), (3h), (3n), (3p), (3q), (3r), (3t), (3w), (3x), (5e), (5f), (5g), (5h), (5i), (5j), (5k),
23 and (8r) and passed through to shareholders.

24 **SECTION 9.** 71.45 (2) (a) 10. of the statutes, as affected by 2009 Wisconsin Acts

25 2 and 28, is amended to read:

1 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
2 computed under s. 71.47 (1dd) to (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3w), ~~(3x)~~, (5e),
3 (5f), (5g), (5h), (5i), (5j), (5k), and (8r) and not passed through by a partnership,
4 limited liability company, or tax-option corporation that has added that amount to
5 the partnership's, limited liability company's, or tax-option corporation's income
6 under s. 71.21 (4) or 71.34 (1k) (g) and the amount of credit computed under s. 71.47
7 (1), (3), (3t), (4), (4m), and (5).

8 **SECTION 10.** 71.47 (3x) of the statutes is created to read: ✓

9 71.47 (3x) INSULATING CONCRETE FORMS CREDIT. (a) *Definitions.* In this
10 subsection:

11 1. "Claimant" means a person who files a claim under this subsection.

12 2. "Insulating concrete form" means a hollow expandable polystyrene form
13 system that is filled with concrete and includes the concrete used to fill the form.

14 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
15 claimant may claim as a credit against the taxes imposed under s. 71.43, up to the
16 amount of the taxes, an amount equal to the amount that the claimant paid in the
17 taxable year to purchase for use in this state insulating concrete forms used to
18 construct the insulated exterior and interior walls of any building.

19 (c) *Limitations.* Partnerships, limited liability companies, and tax-option
20 corporations may not claim the credit under this subsection, but the eligibility for,
21 and the amount of, the credit are based on their payment of the amounts described
22 under par. (b). A partnership, limited liability company, or tax-option corporation
23 shall compute the amount of credit that each of its partners, members, or
24 shareholders may claim and shall provide that information to each of them.

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

3 (d) *Administration*. Section 71.28 (4) (e) to (h), as it applies to the credit under
4 s. 71.28 (4), applies to the credit under this subsection.

5 **SECTION 11.** 71.49 (1) (dn) of the statutes is created to read:

6 71.49 (1) (dn) Insulating concrete forms credit under s. 71.47 (3x).

7 **SECTION 12.** 77.92 (4) of the statutes, as affected by 2009 Wisconsin Acts 2 and

8 28, is amended to read:

9 77.92 (4) "Net business income," with respect to a partnership, means taxable
10 income as calculated under section 703 of the Internal Revenue Code; plus the items
11 of income and gain under section 702 of the Internal Revenue Code, including taxable
12 state and municipal bond interest and excluding nontaxable interest income or
13 dividend income from federal government obligations; minus the items of loss and
14 deduction under section 702 of the Internal Revenue Code, except items that are not
15 deductible under s. 71.21; plus guaranteed payments to partners under section 707
16 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),
17 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3s),
18 (3t), (3w), (3x), (5e), (5f), (5g), (5h), (5i), (5j), (5k), and (8r); and plus or minus, as
19 appropriate, transitional adjustments, depreciation differences, and basis
20 differences under s. 71.05 (13), (15), (16), (17), and (19); but excluding income, gain,
21 loss, and deductions from farming. "Net business income," with respect to a natural
22 person, estate, or trust, means profit from a trade or business for federal income tax
23 purposes and includes net income derived as an employee as defined in section 3121
24 (d) (3) of the Internal Revenue Code.

25 **SECTION 13. Initial applicability.**

Duerst, Christina

From: Stephenson, Sean

Sent: Wednesday, January 06, 2010 3:08 PM

To: LRB.Legal

Subject: Draft Review: LRB 09-3258/1 Topic: Tax credit for the purchase or manufacturing of insulating concrete forms

Please Jacket LRB 09-3258/1 for the SENATE.