

2009 DRAFTING REQUEST

Bill

Received: **02/08/2009**

Received By: **tkuczens**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Weidner**

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

Drafter: **tkuczens**

May Contact:

Addl. Drafters: **jkreye**

Subject: **Econ. Development - bus. dev.
Tax, Business - credits**

Extra Copies:

Submit via email: **NO**

Pre Topic:

DOA:.....Weidner, BB -

Topic:

Jobs Tax Credit

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>
/?	tkuczens 02/09/2009 jkreye 02/10/2009	kfollett 02/10/2009		_____			State
/P1	tkuczens 02/10/2009 jkreye 02/11/2009	kfollett 02/11/2009	rschluet 02/10/2009	_____	lparisi 02/10/2009		State
/P2	tkuczens 02/11/2009 jkreye 02/11/2009	kfollett 02/12/2009	rschluet 02/11/2009	_____	sbasford 02/11/2009		State

Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

/P3

jfrantze _____
02/12/2009 _____

lparisi
02/12/2009

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<END>

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jkreye
2/12

rschluet
2/12

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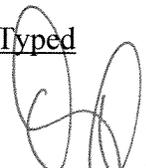
Topic:

Jobs Tax Credit

Instructions:

See attached

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/?	tkuczens 02/09/2009 jkreye	lplkf 2/18		_____	_____	_____	State

FE Sent For:

<END>

2009-11 Budget Bill Statutory Language Drafting Request

- Topic: Ten Cubed Tax Credit *JOBS CREDIT.*
- Tracking Code:
- SBO team: General Government and Economic Development
- SBO analyst: Jenna Weidner
 - Phone: 6-7329
 - Email: jenna.weidner@wisconsin.gov
- Agency acronym: COM
- Agency number: 143
- Priority (Low, Medium, High): High

Intent: to create a new business attraction/expansion refundable tax credit program loosely modeled after the Enterprise Zone program (560.799).

The proposed program would allow Commerce to certify up to a 10% full-time payroll credit for up to 10 years for a business creating jobs in Wisconsin. The wage threshold to add jobs would be high in general, but in distressed areas, jobs created at a lower wage could qualify. Training costs, like the Enterprise Zone program, would also be eligible to earn credits. The total cost of the program would be capped at \$10 million per year. Unlike the Enterprise Zone program, this program would not be limited to a specific number of zones, but rather a specific dollar amount. In this way, the two programs would complement each other. Commerce would use the new 10³ program for smaller business attraction/expansion efforts and the Enterprise Zone program for larger attraction/expansion efforts. The credits would be refundable.

Details

- ✓ • Commerce may certify a business that begins operations in Wisconsin or expands operations in Wisconsin and will increase its net employment in Wisconsin
- ✓ • Commerce may award up to \$10 million of tax credits per year under this program. *(not per business?)*
- ✓ • In Tier 1 counties or municipalities, Commerce may award up to 10% of full-time payroll above \$20,000 per employee (and up to \$100,000). (In other words, creating 50 jobs at \$40,000 per year would entitle the company to \$2,000 per job for a total of \$100,000 incentive)
- ✓ • In Tier 2 counties or municipalities, Commerce may award up to 10% of full-time payroll above \$30,000 per employee (and up to \$100,000).
- ✓ • In both Tier 1 and Tier 2 counties or municipalities, Commerce may also award tax credits based on training costs (similar to Enterprise Zones) *Joe - see 71.47 (3w)(bm)*
- • Commerce will promulgate rules to define Tier 1 and Tier 2 counties and municipalities. In defining Tier 1 and Tier 2 counties, Commerce may consider wages, incomes, unemployment, poverty, and mass layoffs.
- ✓ • Commerce may authorize a business to claim credits up to the amount determined by Commerce for up to 10 years.
- ✓ • No retail businesses may qualify
- • May require claw back language similar to the Enterprise Zones in 560.799 (6)(d)
 - The credits would be refundable

**rulemaking authority (re: penalties & recouping*
2/10/09 Per Jenna - \$100,000 cap is a cap on salary of the EE, NOT a cap on the amount of the credit an EE would be eligible to obtain.



PI
JF

DOA:.....Weidner, BB - Jobs Tax Credit

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

m 2-10-09
D-N

Don't Gen

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

Analysis by the Legislative Reference Bureau
COMMERCE AND ECONOMIC DEVELOPMENT
ECONOMIC DEVELOPMENT

Under current law, Commerce may certify persons and businesses who agree to undertake certain eligible activities to be eligible for tax benefits. Eligible activities include job creation, environmental remediation, and capital investment.

This bill creates the Jobs Tax Benefit. A person may be certified to receive tax benefits under this section if the person operates or intends to operate a business in Wisconsin, will increase its net employment of full-time employees in Wisconsin, and will pay annual wages to a full-time employee for whom the person claims tax benefits of at least \$20,000 in Tier 1 counties or municipalities and at least \$30,000 in Tier 2 counties or municipalities. A person certified under the program may receive per-employee tax benefits of up to 10 percent of the wages paid to the full-time employee; the person may not receive more than \$100,000 in tax benefits in any calendar year. A person certified under the program may also receive tax benefits for providing job-training to its employees. The bill requires Commerce to promulgate rules defining Tier 1 and Tier 2 counties and municipalities and establishing conditions for the revocation of a certification and the repayment of tax benefits.

program

I

II

TAXATION**INCOME TAXATION**

This bill allows a business to claim an income and franchise tax credit in an amount up to 10 percent of the wages that the business paid in the taxable year to certain full-time employees, as determined by Commerce. If the amount of the taxpayer's credit exceeds the taxpayer's tax liability, the taxpayer receives a refund.

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

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

1 **SECTION 1.** 20.835 (2) (bb) of the statutes is created to read:

2 20.835 (2) (bb) *Jobs tax credit.* The amounts in the schedule to make the
3 payments under ss. 71.07 (3q) (d) 2., 71.28 (3q) (d) 2., and 71.47 (3q) (d) 2.

4 → *note: bud* **SECTION 2.** 71.05 (6) (a) 15. of the statutes is amended to read:

5 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),
6 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3h), (3n), (3p), (3q), (3s), (3t), (3w),
7 (5e), (5f), (5h), (5i), (5j), and (5k) and not passed through by a partnership, limited
8 liability company, or tax-option corporation that has added that amount to the
9 partnership's, company's, or tax-option corporation's income under s. 71.21 (4) or
10 71.34 (1k) (g).

History: 1987 a. 312; 1987 a. 411 ss. 42, 43, 45, 47 to 49, 51 to 53; 1989 a. 31, 46; 1991 a. 2, 37, 39, 269; 1993 a. 16, 112, 204, 263, 437; 1995 a. 27, 56, 209, 227, 261, 371, 403, 453; 1997 a. 27, 35, 39, 237; 1999 a. 9, 32, 44, 54, 65, 167; 2001 a. 16, 104, 105, 109; 2003 a. 85, 99, 119, 135, 183, 255, 289, 321, 326; 2005 a. 22, 25, 216, 254, 335, 361, 479, 483; 2007 a. 20, 96, 226.

11 **SECTION 3.** 71.07 (3q) of the statutes is created to read:

12 71.07 (3q) **JOBS TAX CREDIT.** (a) *Definitions.* In this subsection:

13 1. "Claimant" means a person certified to receive tax benefits under s. 560.2055

14 (2).

15 2. "Eligible employee" has the meaning given in s. 560.2055 (1) (b).

16 (b) *Filing claims.* Subject to the limitations provided in this subsection and s.

17 560.2055, for taxable years beginning after December 31, 2011, a claimant may claim

1 as a credit against the taxes imposed under s. 71.02, the amount of wages that the
2 claimant paid to an eligible employee in the taxable year, not to exceed 10 percent
3 of such wages, as determined by the department of commerce under s. 560.2055.

4 (c) *Limitations.* Partnerships, limited liability companies, and tax-option
5 corporations may not claim the credit under this subsection, but the eligibility for,
6 and the amount of, the credit are based on their payment of amounts under par. (b).

7 A partnership, limited liability company, or tax-option corporation shall compute
8 the amount of credit that each of its partners, members, or shareholders may claim
9 and shall provide that information to each of them. Partners, members of limited
10 liability companies, and shareholders of tax-option corporations may claim the
11 credit in proportion to their ownership interests.

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

14 2. If the allowable amount of the claim under par. (b) exceeds the tax otherwise
15 due under s. 71.02, the amount of the claim not used to offset the tax due shall be
16 certified by the department of revenue to the department of administration for
17 payment by check, share draft, or other draft drawn from the appropriation account
18 under s. 20.835 (2) (bb).

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

20 71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland
21 preservation credit under subch. IX, homestead credit under subch. VIII, farmland
22 tax relief credit under s. 71.07 (3m), farmers' drought property tax credit under s.
23 71.07 (2fd), dairy manufacturing facility investment credit under s. 71.07 (3p), jobs
24 tax credit under s. 71.07 (3q), film production services credit under s. 71.07 (5f) (b)
25 2., veterans and surviving spouses property tax credit under s. 71.07 (6e), enterprise

1 zone jobs credit under s. 71.07 (3w), earned income tax credit under s. 71.07 (9e),
2 estimated tax payments under s. 71.09, and taxes withheld under subch. X.

History: 1987 a. 312; 1987 a. 411 ss. 94, 97, 176 to 179; 1987 a. 422 s. 4; 1989 a. 31, 56, 359; 1991 a. 39; 1993 a. 16, 184; 1995 a. 27, 209, 418, 453; 1997 a. 27, 63, 237, 248; 1999 a. 9, 167; 2001 a. 16, 109; 2003 a. 33, 99, 135, 176, 255, 321; 2005 a. 25, 49, 71, 74, 177, 178, 323, 361, 460, 479, 483; 2007 a. 1, 20, 96, 97.

3 **SECTION 5.** 71.21 (4) of the statutes is amended to read:

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

History: 1987 a. 312, 411; 1989 a. 31; 1993 a. 112; 1995 a. 27, 400; 1997 a. 27; 2001 a. 16; 2003 a. 99, 135, 255, 326; 2005 a. 74, 361, 479, 483; 2007 a. 20, 96.

8 **SECTION 6.** 71.26 (2) (a) 4. of the statutes is amended to read:

9 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dd),
10 (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (3g), (3h), (3n), (3p), (3q), (3t), (3w), (5e),
11 (5f), (5g), (5h), (5i), (5j), and (5k) and not passed through by a partnership, limited
12 liability company, or tax-option corporation that has added that amount to the
13 partnership's, limited liability company's, or tax-option corporation's income under
14 s. 71.21 (4) or 71.34 (1k) (g).

History: 1987 a. 312; 1987 a. 411 ss. 22, 124 to 129; 1989 a. 31, 336; 1991 a. 37, 39, 221, 269; 1993 a. 16, 112, 246, 263, 399, 437, 491; 1995 a. 27, 56, 351, 371, 380, 428; 1997 a. 27, 37, 184, 237; 1999 a. 9, 65; 1999 a. 150 s. 672; 1999 a. 167, 194; 2001 a. 16, 38, 106, 109; 2003 a. 33, 85, 99, 135, 255, 326; 2005 a. 25, 74, 335, 361, 362, 479, 483; 2007 a. 20, 96, 97, 151, 226.

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

16 71.28 (3q) JOBS TAX CREDIT. (a) *Definitions.* In this subsection:

17 1. "Claimant" means a person certified to receive tax benefits under s. 560.2055

18 (2).

19 2. "Eligible employee" has the meaning given in s. 560.2055 (1) (b).

20 (b) *Filing claims.* Subject to the limitations provided in this subsection and s.
21 560.2055, for taxable years beginning after December 31, 2011, a claimant may claim
22 as a credit against the taxes imposed under s. 71.23, the amount of wages that the

1 claimant paid to an eligible employee in the taxable year, not to exceed 10 percent
2 of such wages, as determined by the department of commerce under s. 560.2055.

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

11 (d) *Administration.* 1. Subsection (4) (e), (g), and (h), as it applies to the credit
12 under sub. (4), applies to the credit under this subsection.

13 2. If the allowable amount of the claim under par. (b) exceeds the tax otherwise
14 due under s. 71.23, the amount of the claim not used to offset the tax due shall be
15 certified by the department of revenue to the department of administration for
16 payment by check, share draft, or other draft drawn from the appropriation account
17 under s. 20.835 (2) (bb).

18 **SECTION 8.** 71.30 (3) (f) of the statutes is amended to read:

19 71.30 (3) (f) The total of farmers' drought property tax credit under s. 71.28
20 (1fd), farmland preservation credit under subch. IX, farmland tax relief credit under
21 s. 71.28 (2m), dairy manufacturing facility investment credit under s. 71.28 (3p), jobs
22 tax credit under s. 71.28 (3q), enterprise zone jobs credit under s. 71.28 (3w), film

1 production services credit under s. 71.28 (5f) (b) 2., and estimated tax payments
2 under s. 71.29.

History: 1987 a. 312; 1987 a. 411 ss. 144, 145, 182 to 185; 1989 a. 31, 56; 1991 a. 39; 1995 a. 27, 209; 1997 a. 27; 1999 a. 9; 2001 a. 16; 2003 a. 33, 99, 135, 255; 2005 a. 25, 74, 361, 479, 483; 2007 a. 20, 226.

3 **SECTION 9.** 71.34 (1k) (g) of the statutes is amended to read:

4 71.34 (1k) (g) An addition shall be made for credits computed by a tax-option
5 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (3), (3g),
6 (3h), (3n), (3p), (3q), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), and (5k) and passed
7 through to shareholders.

History: 1987 a. 312; 1987 a. 411 ss. 18, 23, 146; 1989 a. 31, 336; 1991 a. 39, 269; 1993 a. 16, 437; 1995 a. 27, 380, 428; 1997 a. 27, 37, 237; 1999 a. 9, 194; 2001 a. 16, 109; 2003 a. 33, 99, 135, 255, 326; 2005 a. 25, 49, 74, 361, 479, 483; 2007 a. 20, 96, 226.

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

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

History: 1987 a. 312; 1989 a. 31, 336, 359; 1991 a. 37, 39, 269; 1993 a. 16, 112, 263, 437; 1995 a. 27, 56, 371, 380; 1997 a. 27, 37, 237; 1999 a. 9, 65; 1999 a. 150 s. 672; 1999 a. 167, 194; 2001 a. 16, 38, 109; 2003 a. 37, 85, 99, 135, 255, 326; 2005 a. 74, 297, 335, 361, 479, 483; 2007 a. 20, 96, 226.

15 **SECTION 11.** 71.47 (3q) of the statutes is created to read:

16 71.47 (3q) JOBS TAX CREDIT. (a) *Definitions.* In this subsection:

17 1. "Claimant" means a person certified to receive tax benefits under s. 560.2055

18 (2).

19 2. "Eligible employee" has the meaning given in s. 560.2055 (1) (b).

20 (b) *Filing claims.* Subject to the limitations provided in this subsection and s.
21 560.2055, for taxable years beginning after December 31, 2011, a claimant may claim
22 as a credit against the taxes imposed under s. 71.43, the amount of wages that the

1 claimant paid to an eligible employee in the taxable year, not to exceed 10 percent
2 of such wages, as determined by the department of commerce under s. 560.2055.

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

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

13 2. If the allowable amount of the claim under par. (b) exceeds the tax otherwise
14 due under s. 71.43, the amount of the claim not used to offset the tax due shall be
15 certified by the department of revenue to the department of administration for
16 payment by check, share draft, or other draft drawn from the appropriation account
17 under s. 20.835 (2) (bb).

18 **SECTION 12.** 71.49 (1) (f) of the statutes is amended to read:

19 71.49 (1) (f) The total of farmers' drought property tax credit under s. 71.47
20 (1fd), farmland preservation credit under subch. IX, farmland tax relief credit under
21 s. 71.47 (2m), dairy manufacturing facility investment credit under s. 71.47 (3p), jobs
22 tax credit under s. 71.47 (3q), enterprise zone jobs credit under s. 71.47 (3w), film
23 production services credit under s. 71.47 (5f) (b) 2., and estimated tax payments
24 under s. 71.48.

1 **SECTION 13.** 77.92 (4) of the statutes is amended to read:

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

History: 1989 a. 335; 1991 a. 39, 269; 1993 a. 16, 112, 490; 1995 a. 27, 209; 1997 a. 27; 1999 a. 9; 2001 a. 16; 2003 a. 99, 135, 255, 326; 2005 a. 74, 361, 479, 483; 2007 a. 20, 96.

18 **SECTION 14.** 560.2055 of the statutes is created to read:

19 **560.2055 Jobs tax credit. (1) DEFINITIONS.** In this section:

20 (a) 1. Except as provided in subd. 2., "business" means any organization or
21 enterprise operated for profit, including a proprietorship, partnership, firm,
22 business trust, joint venture, syndicate, corporation, limited liability company, or
23 association.

1 2. "Business" does not include a store or shop in which retail sales is the
2 principal business.

3 (b) "Eligible employee" means a person employed in a full-time job by a person
4 certified under sub. (2).

5 (c) "Full-time job" means a regular, nonseasonal full-time position in which an
6 individual, as a condition of employment, is required to work at least 2,080 hours per
7 year, including paid leave and holidays, and for which the individual receives pay
8 that is equal to at least 150 percent of the federal minimum wage and benefits that
9 are not required by federal or state law. "Full-time job" does not include initial
10 training before an employment position begins.

11 (d) "Tax benefits" means the jobs tax credit under ss. 71.07 (3q), 71.28 (3q), and
12 71.47 (3q).

13 (2) CERTIFICATION. The department may certify a person to receive tax benefits
14 under this section if all of the following apply:

15 (a) The person is operating or intends to operate a business in this state.

16 (b) The person applies under this section and enters into a contract with the
17 department.

18 (3) ELIGIBILITY FOR TAX BENEFITS. A person certified under sub. (2) may receive
19 tax benefits under this section if, in each year for which the person claims tax benefits
20 under this section, the person increases net employment in the person's business and
21 one of the following apply:

22 (a) In a tier I county or municipality, an eligible employee for whom the person
23 claims a tax credit will earn at least \$20,000 in wages from the person in the year for
24 which the credit is claimed.

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(b) In a tier 2 county or municipality, an eligible employee for whom the person claims a tax credit will earn at least \$30,000 in wages from the person in the year for which the credit is claimed.

(c) In a tier 1 county or municipality or a tier 2 county or municipality, the person improves the job-related skills of any eligible employee, trains any eligible employee on the use of job-related new technologies, or provides job-related training to any eligible employee whose employment with the person represents the employee's first full-time job.

(4) DURATION, LIMITS, AND EXPIRATION.

(a) The certification of a person under sub. (2) may remain in effect for no more than 10 cumulative years.

(b) 1. Except as provided in subd. 3., the department may award to a person certified under sub. (2) tax benefits for each eligible employee in an amount equal to up to 10 percent of the wages paid by the person to that employee if that employee earned wages in the year for which the tax benefit is claimed equal to one of the following:

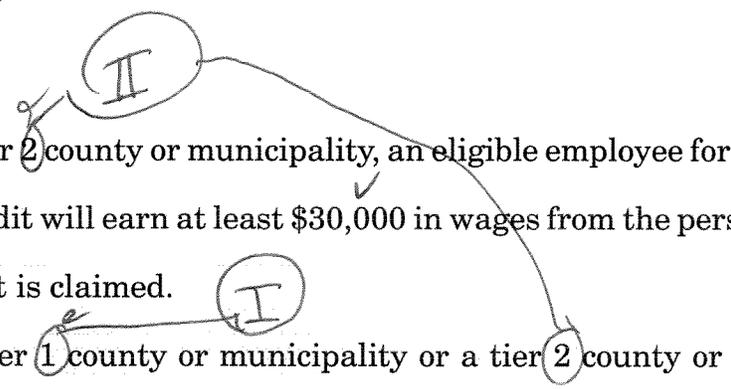
a. In a tier 1 county or municipality, at least \$20,000.

b. In a tier 2 county or municipality, at least \$30,000.

2. The department may award to a person certified under sub. (2) tax benefits in an amount to be determined by the department by rule for costs incurred by the person to undertake the training activities described in sub. (2) (c).

3. The department may not award to a person certified under sub. (2) more than \$100,000 in tax benefits under subd. 1. in any one year.

(c) The department may allocate up to \$10,000,000 in tax benefits under this section in any calendar year.



1 (5) DUTIES OF THE DEPARTMENT. (a) The department of commerce shall notify
2 the department of revenue when the department of commerce certifies a person to
3 receive tax benefits.

4 (b) The department of commerce shall notify the department of revenue within
5 30 days of revoking a certification made under sub. (2).

6 (c) The department may require a person to repay any tax benefits the person
7 claims for a year in which the person failed to maintain employment required by an
8 agreement under sub. (2) (b).

9 (d) The department shall determine the maximum amount of the tax credits
10 under ss. 71.07 (3q), 71.28 (3q) and 71.47 (3q) that a certified business may claim and
11 shall notify the department of revenue of this amount.

12 (e) The department shall annually verify the information submitted to the
13 department by the person claiming tax benefits under ss. 71.07 (3q), 71.28 (3q), and
14 71.47 (3q).

15 (f) The department shall promulgate rules for the implementation and
16 operation of this section, including rules relating to the following:

17 1. The definitions of a tier I county or municipality and a tier II county or
18 municipality. The department may consider all of the following information when
19 establishing the definitions required under this subdivision:

20 a. Unemployment rate.

21 b. Percentage of families with incomes below the poverty line established under
22 42 USC 9902 (2).

23 c. Median family income.

24 d. Median per capita income.

1 e. Other significant or irregular indicators of economic distress, such as a
2 natural disaster or mass layoff.

3 2. A schedule of additional tax benefits for which a person who is certified under
4 sub. (2) and who incurs costs related to job training under sub. (3) (c) may be eligible.

5 3. Conditions for the revocation of a certification under par. (b).

6 4. Conditions for the repayment of tax benefits under par. (c).

7 **SECTION 9110. Nonstatutory provisions; Commerce.**

8 (1) JOBS TAX BENEFIT; EMERGENCY RULES. The department of commerce may use
9 the procedure under section 227.24 of the statutes to promulgate rules under section
10 560.2055 (4) (b) of the statutes, as created by this act. Notwithstanding section
11 227.24 (1) (c) and (2) of the statutes, emergency rules promulgated under this
12 subsection remain in effect until July 1, 2010, or the date on which permanent rules
13 take effect, whichever is sooner. Notwithstanding section 227.24 (1) (a) and (3) of the
14 statutes, the department is not required to provide evidence that promulgating a rule
15 under this subsection as an emergency rule is necessary for the preservation of the
16 public peace, health, safety, or welfare and is not required to provide a finding of
17 emergency for a rule promulgated under this subsection.

18 (2) JOBS TAX BENEFIT; ECONOMIC IMPACT REPORT. Notwithstanding sections
19 227.137 (2) and 227.138 (2) of the statutes, if the secretary of administration requires
20 the department of commerce to prepare an economic impact report for the rules
21 required under section 560.2055 (4) (b) of the statutes, as created by this act, the
22 department may submit the proposed rules to the legislature for review under
23 section 227.19 (2) of the statutes before the department completes the economic
24 impact report and before the department receives a copy of the report and approval
25 under section 227.138 (2) of the statutes.

1

SECTION 9443. Effective dates; Revenue.

2

(1) JOBS TAX CREDIT. The treatment of sections 20.835 (2) (bb) of the statutes
3 takes effect on January 1, 2012.

4

(END)

D-Note

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

PI
LRB-2046/?dn

TKK.: *[Signature]*

Date

Jenna:

X This draft creates the "Jobs tax credit" program. I have several questions:

1. Are you comfortable with the definitions I provided for business?
2. I provided a definition for "full-time job." Okay? Is the substance of the definition acceptable?
- X 3. As drafted, ^{for} the business must employ the employees in full-time positions in order to be eligible to tax benefits. Is that your intent?
4. Does the increase in employment required under the program need to be of Wisconsin residents? That is, may a Wisconsin business receive tax benefits if it increases employment in this state but the employees it hires live in Minnesota or Michigan or Illinois or elsewhere? As drafted, there is no such residency requirement.
5. I assumed that the "up to \$100,000" in bullets 3 and 4 of your drafting instructions refers to the total tax benefits that may be received by the certified person, and *not* to the salary paid to an employee for whom the certified person seeks to obtain tax benefits. That is, you *don't* mean an employee who is paid a salary of at least \$20,000 but not more than \$100,000. Correct?

Tracy K. Kuczenski
Legislative Attorney
Phone: (608) 266-9867
E-mail: tracy.kuczenski@legis.wisconsin.gov

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2046/P1dn
TKK:kjf:rs

February 10, 2009

Jenna:

This draft creates the "Jobs Tax Credit" program. I have several questions:

1. Are you comfortable with the definitions I provided for business?
2. I provided a definition for "full-time job." Okay? Is the substance of the definition acceptable?
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Tracy K. Kuczenski
Legislative Attorney
Phone: (608) 266-9867
E-mail: tracy.kuczenski@legis.wisconsin.gov



DOA:.....Weidner, BB - Jobs Tax Credit

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

in 2-11-09

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

**Analysis by the Legislative Reference Bureau
COMMERCE AND ECONOMIC DEVELOPMENT**

ECONOMIC DEVELOPMENT

Under current law, Commerce may certify persons and businesses who agree to undertake certain eligible activities to be eligible for tax benefits. Eligible activities include job creation, environmental remediation, and capital investment.

This bill creates the Jobs Tax Benefit. A person may be certified to receive tax benefits under this program if the person operates or intends to operate a business in Wisconsin, will increase its net employment of full-time employees in Wisconsin, and will pay annual wages to a full-time employee for whom the person claims tax benefits of at least \$20,000 in Tier I counties or municipalities and at least \$30,000 in Tier II counties or municipalities. A person certified under the program may receive per-employee tax benefits of up to 10 percent of the wages paid to the full-time employee; the person may not receive more than \$100,000 in tax benefits in any calendar year. A person certified under the program may also receive tax benefits for providing job training to its employees. The bill requires Commerce to promulgate rules defining Tier I and Tier II counties and municipalities and establishing conditions for the revocation of a certification and the repayment of tax benefits.

*Who earns
Wages of at least \$20,000 but not more than \$100,000 if employed in a Tier I county or municipality and who earns wages of at least \$30,000 but not more than \$100,000 if employed in a Tier II county or municipality*

a business may also claim a credit for the costs it incurred in certain job-related training.

TAXATION

INCOME TAXATION

This bill allows a business to claim an income and franchise tax credit in an amount up to 10 percent of the wages that the business paid in the taxable year to certain full-time employees, as determined by Commerce. If the amount of the taxpayer's credit exceeds the taxpayer's tax liability, the taxpayer receives a refund.

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

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

1 SECTION 1. 20.835 (2) (bb) of the statutes is created to read:

2 20.835 (2) (bb) *Jobs tax credit*. The amounts in the schedule to make the
3 payments under ss. 71.07 (3q) (d) 2., 71.28 (3q) (d) 2., and 71.47 (3q) (d) 2.

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

4 SECTION 2. 71.05 (6) (a) 15. of the statutes is amended to read:

5 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),
6 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3h), (3n), (3p), (3q), (3s), (3t), (3w),
7 (5e), (5f), (5h), (5i), (5j), and (5k) and not passed through by a partnership, limited
8 liability company, or tax-option corporation that has added that amount to the
9 partnership's, company's, or tax-option corporation's income under s. 71.21 (4) or
10 71.34 (1k) (g).

11 SECTION 3. 71.07 (3q) of the statutes is created to read:

12 71.07 (3q) JOBS TAX CREDIT. (a) *Definitions*. In this subsection:

13 1. "Claimant" means a person certified to receive tax benefits under s. 560.2055

14 (2).

15 2. "Eligible employee" has the meaning given in s. 560.2055 (1) (b)

means an eligible employee under

who satisfies the wage requirements under s. 560.2055(3)(a) or (b)

any of the following: #

1 (b) *Filing claims.* Subject to the limitations provided in this subsection and s.
2 560.2055, for taxable years beginning after December 31, 2011, a claimant may claim
3 as a credit against the taxes imposed under s. 71.02, the amount of wages that the
4 claimant paid to an eligible employee in the taxable year, not to exceed 10 percent
5 of such wages, as determined by the department of commerce under s. 560.2055.

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 amounts under par. (b).
9 A partnership, limited liability company, or tax-option corporation shall compute
10 the amount of credit that each of its partners, members, or shareholders may claim
11 and shall provide that information to each of them. Partners, members of limited
12 liability companies, and shareholders of tax-option corporations may claim the
13 credit in proportion to their ownership interests.

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

16 2. If the allowable amount of the claim under par. (b) exceeds the tax otherwise
17 due under s. 71.02, the amount of the claim not used to offset the tax due shall be
18 certified by the department of revenue to the department of administration for
19 payment by check, share draft, or other draft drawn from the appropriation account
20 under s. 20.835 (2) (bb).

, as determined under s. 560.2055,

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

22 71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland
23 preservation credit under subch. IX, homestead credit under subch. VIII, farmland
24 tax relief credit under s. 71.07 (3m), farmers' drought property tax credit under s.
25 71.07 (2fd), dairy manufacturing facility investment credit under s. 71.07 (3p), jobs

2. The amount of the costs incurred by the claimant in the taxable year to undertake the training activities described under s. 560.2055(3)(c).

1 tax credit under s. 71.07 (3q), film production services credit under s. 71.07 (5f) (b)
2 2., veterans and surviving spouses property tax credit under s. 71.07 (6e), enterprise
3 zone jobs credit under s. 71.07 (3w), earned income tax credit under s. 71.07 (9e),
4 estimated tax payments under s. 71.09, and taxes withheld under subch. X.

5 **SECTION 5.** 71.21 (4) of the statutes is amended to read:

6 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
7 (2dj), (2dL), (2dm), (2ds), (2dx), (3g), (3h), (3n), (3p), (3q), (3s), (3t), (3w), (5e), (5f),
8 (5g), (5h), (5i), (5j), and (5k) and passed through to partners shall be added to the
9 partnership's income.

10 **SECTION 6.** 71.26 (2) (a) 4. of the statutes is amended to read:

11 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dd),
12 (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (3g), (3h), (3n), (3p), (3q), (3t), (3w), (5e),
13 (5f), (5g), (5h), (5i), (5j), and (5k) and not passed through by a partnership, limited
14 liability company, or tax-option corporation that has added that amount to the
15 partnership's, limited liability company's, or tax-option corporation's income under
16 s. 71.21 (4) or 71.34 (1k) (g).

who satisfies the wage requirements under s. 560.2055(3)(a) or (b)

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

18 71.28 (3q) JOBS TAX CREDIT. (a) *Definitions.* In this subsection:

19 1. "Claimant" means a person certified to receive tax benefits under s. 560.2055

20 (2).

means an eligible employee under

21 2. "Eligible employee" has the meaning given in s. 560.2055 (1) (b).

22 (b) *Filing claims.* Subject to the limitations provided in this subsection and s.

23 560.2055, for taxable years beginning after December 31, 2011, a claimant may claim

24 as a credit against the taxes imposed under s. 71.23, the amount of wages that the

any of the following:

2. The amount of the costs incurred by the claimant in the taxable year, ^{as} determined under s. 560.2055, to undertake the training activities described under s. 560.2055 (3) (c).

1 claimant paid to an eligible employee in the taxable year, not to exceed 10 percent
2 of such wages, as determined by the department of commerce under s. 560.2055.

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

11 (d) *Administration.* 1. Subsection (4) (e), (g), and (h), as it applies to the credit
12 under sub. (4), applies to the credit under this subsection.

13 2. If the allowable amount of the claim under par. (b) exceeds the tax otherwise
14 due under s. 71.23, the amount of the claim not used to offset the tax due shall be
15 certified by the department of revenue to the department of administration for
16 payment by check, share draft, or other draft drawn from the appropriation account
17 under s. 20.835 (2) (bb).

18 **SECTION 8.** 71.30 (3) (f) of the statutes is amended to read:

19 71.30 (3) (f) The total of farmers' drought property tax credit under s. 71.28
20 (1fd), farmland preservation credit under subch. IX, farmland tax relief credit under
21 s. 71.28 (2m), dairy manufacturing facility investment credit under s. 71.28 (3p), jobs
22 tax credit under s. 71.28 (3q), enterprise zone jobs credit under s. 71.28 (3w), film
23 production services credit under s. 71.28 (5f) (b) 2., and estimated tax payments
24 under s. 71.29.

25 **SECTION 9.** 71.34 (1k) (g) of the statutes is amended to read:

who satisfies the wage requirements under
s. 560.2055 (3) (a) or (b)

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

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

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

12 SECTION 11. 71.47 (3q) of the statutes is created to read:

13 71.47 (3q) JOBS TAX CREDIT. (a) Definitions. In this subsection:

14 1. "Claimant" means a person certified to receive tax benefits under s. 560.2055

15 (2)

any of the following:

means an eligible employee under

16 2. "Eligible employee" has the meaning given in s. 560.2055 (1) (b)

17 (b) Filing claims. Subject to the limitations provided in this subsection and s.

18 560.2055, for taxable years beginning after December 31, 2011, a claimant may claim
19 as a credit against the taxes imposed under s. 71.43, the amount of wages that the
20 claimant paid to an eligible employee in the taxable year, not to exceed 10 percent
21 of such wages, as determined by the department of commerce under s. 560.2055.

22 (c) Limitations. Partnerships, limited liability companies, and tax-option
23 corporations may not claim the credit under this subsection, but the eligibility for,
24 and the amount of, the credit are based on their payment of amounts under par. (b).

25 A partnership, limited liability company, or tax-option corporation shall compute

2. The amount of the costs incurred by the claimant in a taxable
year to undertake the training activities described under
s. 560.2055(3)(c),
as determined under s. 560.2055,

the
g

1 the amount of credit that each of its partners, members, or shareholders may claim
2 and shall provide that information to each of them. Partners, members of limited
3 liability companies, and shareholders of tax-option corporations may claim the
4 credit in proportion to their ownership interests.

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

7 2. If the allowable amount of the claim under par. (b) exceeds the tax otherwise
8 due under s. 71.43, the amount of the claim not used to offset the tax due shall be
9 certified by the department of revenue to the department of administration for
10 payment by check, share draft, or other draft drawn from the appropriation account
11 under s. 20.835 (2) (bb).

12 **SECTION 12.** 71.49 (1) (f) of the statutes is amended to read:

13 71.49 (1) (f) The total of farmers' drought property tax credit under s. 71.47
14 (1fd), farmland preservation credit under subch. IX, farmland tax relief credit under
15 s. 71.47 (2m), dairy manufacturing facility investment credit under s. 71.47 (3p), jobs
16 tax credit under s. 71.47 (3q), enterprise zone jobs credit under s. 71.47 (3w), film
17 production services credit under s. 71.47 (5f) (b) 2., and estimated tax payments
18 under s. 71.48.

19 **SECTION 13.** 77.92 (4) of the statutes is amended to read:

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
22 of income and gain under section 702 of the Internal Revenue Code, including taxable
23 state and municipal bond interest and excluding nontaxable interest income or
24 dividend income from federal government obligations; minus the items of loss and
25 deduction under section 702 of the Internal Revenue Code, except items that are not

1 deductible under s. 71.21; plus guaranteed payments to partners under section 707
2 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),
3 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3h), (3s), (3n), (3p), (3q), (3t), (3w),
4 (5e), (5f), (5g), (5h), (5i), (5j), and (5k); and plus or minus, as appropriate, transitional
5 adjustments, depreciation differences, and basis differences under s. 71.05 (13), (15),
6 (16), (17), and (19); but excluding income, gain, loss, and deductions from farming.
7 “Net business income,” with respect to a natural person, estate, or trust, means profit
8 from a trade or business for federal income tax purposes and includes net income
9 derived as an employee as defined in section 3121 (d) (3) of the Internal Revenue
10 Code.

11 **SECTION 14.** 560.2055 of the statutes is created to read:

12 **560.2055 Jobs tax credit. (1) DEFINITIONS.** In this section:

13 (a) 1. Except as provided in subd. 2., “business” means any organization or
14 enterprise operated for profit, including a proprietorship, partnership, firm,
15 business trust, joint venture, syndicate, corporation, limited liability company, or
16 association.

17 2. “Business” does not include a store or shop in which retail sales is the
18 principal business.

19 (b) “Eligible employee” means a person employed in a full-time job by a person
20 certified under sub. (2).

21 (c) “Full-time job” means a regular, nonseasonal full-time position in which an
22 individual, as a condition of employment, is required to work at least 2,080 hours per
23 year, including paid leave and holidays, and for which the individual receives pay
24 that is equal to at least 150 percent of the federal minimum wage and benefits that

1 are not required by federal or state law. "Full-time job" does not include initial
2 training before an employment position begins.

3 (d) "Tax benefits" means the jobs tax credit under ss. 71.07 (3q), 71.28 (3q), and
4 71.47 (3q).

5 (2) CERTIFICATION. The department may certify a person to receive tax benefits
6 under this section if all of the following apply:

7 (a) The person is operating or intends to operate a business in this state.

8 (b) The person applies under this section and enters into a contract with the
9 department.

10 (3) ELIGIBILITY FOR TAX BENEFITS. A person certified under sub. (2) may receive
11 tax benefits under this section if, in each year for which the person claims tax benefits
12 under this section, the person increases net employment in the person's business and
13 one of the following apply:

14 (a) In a tier I county or municipality, an eligible employee for whom the person
15 claims a tax credit will earn at least \$20,000 in wages from the person in the year for
16 which the credit is claimed.

17 (b) In a tier II county or municipality, an eligible employee for whom the person
18 claims a tax credit will earn at least \$30,000 in wages from the person in the year for
19 which the credit is claimed.

20 (c) In a tier I county or municipality or a tier II county or municipality, the
21 person improves the job-related skills of any eligible employee, trains any eligible
22 employee on the use of job-related new technologies, or provides job-related training
23 to any eligible employee whose employment with the person represents the
24 employee's first full-time job.

1 (4) DURATION, LIMITS, AND EXPIRATION. (a) The certification of a person under
2 sub. (2) may remain in effect for no more than 10 cumulative years.

3 (b) 1. Except as provided in subd. 3., the department may award to a person
4 certified under sub. (2) tax benefits for each eligible employee in an amount equal to
5 up to 10 percent of the wages paid by the person to that employee if that employee
6 earned wages in the year for which the tax benefit is claimed equal to one of the
7 following:

8 a. In a tier I county or municipality, at least \$20,000. ✓

9 b. In a tier II county or municipality, at least \$30,000. ✓

10 2. The department may award to a person certified under sub. (2) tax benefits
11 in an amount to be determined by the department by rule for costs incurred by the
12 person to undertake the training activities described in sub. (3) (c).

13 3. The department may not award to a person certified under sub. (2) more than
14 \$100,000 in tax benefits under subd. 1. in any one year.

15 (c) The department may allocate up to \$10,000,000 in tax benefits under this
16 section in any calendar year.

17 (5) DUTIES OF THE DEPARTMENT. (a) The department of commerce shall notify
18 the department of revenue when the department of commerce certifies a person to
19 receive tax benefits.

20 (b) The department of commerce shall notify the department of revenue within
21 30 days of revoking a certification made under sub. (2).

22 (c) The department may require a person to repay any tax benefits the person
23 claims for a year in which the person failed to maintain employment required by an
24 agreement under sub. (2) (b).

1 (d) The department shall determine the maximum amount of the tax credits
2 under ss. 71.07 (3q), 71.28 (3q), and 71.47 (3q) that a certified business may claim
3 and shall notify the department of revenue of this amount.

4 (e) The department shall annually verify the information submitted to the
5 department by the person claiming tax benefits under ss. 71.07 (3q), 71.28 (3q), and
6 71.47 (3q).

7 (f) The department shall promulgate rules for the implementation and
8 operation of this section, including rules relating to the following:

9 1. The definitions of a tier I county or municipality and a tier II county or
10 municipality. The department may consider all of the following information when
11 establishing the definitions required under this subdivision:

12 a. Unemployment rate.

13 b. Percentage of families with incomes below the poverty line established under
14 42 USC 9902 (2).

15 c. Median family income.

16 d. Median per capita income.

17 e. Other significant or irregular indicators of economic distress, such as a
18 natural disaster or mass layoff.

19 2. A schedule of additional tax benefits for which a person who is certified under
20 sub. (2) and who incurs costs related to job training under sub. (3) (c) may be eligible.

21 3. Conditions for the revocation of a certification under par. (b).

22 4. Conditions for the repayment of tax benefits under par. (c).

23 **SECTION 9110. Nonstatutory provisions; Commerce.**

24 (1) JOBS TAX BENEFIT; EMERGENCY RULES. The department of commerce may use
25 the procedure under section 227.24 of the statutes to promulgate rules under section

1 560.2055 (5) (f) of the statutes, as created by this act. Notwithstanding section
2 227.24 (1) (c) and (2) of the statutes, emergency rules promulgated under this
3 subsection remain in effect until July 1, 2010, or the date on which permanent rules
4 take effect, whichever is sooner. Notwithstanding section 227.24 (1) (a) and (3) of the
5 statutes, the department is not required to provide evidence that promulgating a rule
6 under this subsection as an emergency rule is necessary for the preservation of the
7 public peace, health, safety, or welfare and is not required to provide a finding of
8 emergency for a rule promulgated under this subsection.

9 (2) JOBS TAX BENEFIT; ECONOMIC IMPACT REPORT. Notwithstanding sections
10 227.137 (2) and 227.138 (2) of the statutes, if the secretary of administration requires
11 the department of commerce to prepare an economic impact report for the rules
12 required under section 560.2055 (5) (f) of the statutes, as created by this act, the
13 department may submit the proposed rules to the legislature for review under
14 section 227.19 (2) of the statutes before the department completes the economic
15 impact report and before the department receives a copy of the report and approval
16 under section 227.138 (2) of the statutes.

17 **SECTION 9443. Effective dates; Revenue.**

18 (1) JOBS TAX CREDIT. The treatment of section 20.835 (2) (bb) of the statutes takes
19 effect on January 1, 2012.

20 (END)

Kuczenski, Tracy

From: Weidner, Jenna M - DOA [Jenna.Weidner@wisconsin.gov]
Sent: Wednesday, February 11, 2009 4:21 PM
To: Kuczenski, Tracy
Cc: Pawasarat, Jane - DOA
Subject: RE: Jobs Tax Credit (LRB 2046)

Hi Tracy,
Please go ahead with the proposed redrafting, as I have another change to the draft (see below).
Thanks so much!
Jenna

As with other credits that are certified by Commerce, the bill should require the taxpayer to attach the certification notice they receive from Commerce to their return. This can be accomplished by inserting the following language in 71.07(3q), 71.28 (3q) and 71.47 (3q):

(e) No credit may be allowed under this subsection unless the claimant includes with the claimant's return a copy of the claimant's certification for tax benefits under s. 560.2055(2).

From: Kuczenski, Tracy [mailto:Tracy.Kuczenski@legis.wisconsin.gov]
Sent: Wednesday, February 11, 2009 3:18 PM
To: Weidner, Jenna M - DOA
Cc: Hanaman, Cathlene - LEGIS; Kreye, Joseph - LEGIS
Subject: Jobs Tax Credit (LRB 2046)

Hi Jenna -

Given the way Joe *correctly* defined eligible employee, I will need to redraft my eligibility requirements (on p. 10, lines 6 and 9) to be consistent with the limits established on p. 10 lines 22-25 and with Joe's definition. I think I will *not* delete any of the material on p. 10 lines 18 through 25 as I mentioned on the phone, however.

But I can wait on this redrafting until I hear from you as to whether you want to make any other minor (or not so minor) changes to this draft.

Sorry,
Tracy

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