



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2009 Senate Bill 692

Senate Amendment 1

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Contact: Scott Grosz, Staff Attorney (266-1307)

2009 Senate Bill 692

Under Senate Bill 692, in general, a person who makes a qualified investment in a federally certified community development financial institution may claim a credit on their income or franchise taxes. To be qualified, among other requirements, an investment may not pay any interest to the person and the investment must be made for a period of at least five years. If a person withdraws the investment before the end of five years, they must repay between 10-100% of the credit received, depending on when they withdraw the investment.

Under the bill, a claimant may claim a credit in the year the investment is made and in the following year. A credit of either 5% or 6% of the amount invested may be claimed in each of those years, depending on the amount of the investment.

Senate Amendment 1

The amendment makes the following changes to the bill:

1. Specifies that the entire amount of the tax credit is provided to an eligible taxpayer in the year the qualified investment is made, rather than being spread out over two years. Thus, under the amendment, a person making an investment would claim a 10% or 12% tax credit in the first year and would claim no credit in the second year.
2. Provides that the tax credit program created in the bill sunsets after two years.

Legislative History

Senate Amendment 1 was introduced on April 19, 2010, by the Senate Committee on Economic Development.

On April 19, 2010, the Senate Committee on Economic Development recommended adoption of the amendment on a vote of Ayes, 7; Noes, 0, and recommended passage of the bill, as amended, on a vote of Ayes, 7; Noes, 0.

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