



State of Wisconsin
2011 - 2012 LEGISLATURE

January 2011 Special Session



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**ASSEMBLY SUBSTITUTE AMENDMENT 5,
TO ASSEMBLY BILL 7**

January 25, 2011 – Offered by Representatives YOUNG, E. COGGS and KESSLER.

1 **AN ACT** *to create* 71.05 (6) (b) 47., 71.26 (1) (h) and 71.45 (1) (c) of the statutes;
2 **relating to:** a job creation income and franchise tax deduction and granting
3 rule-making authority.

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

4 **SECTION 1.** 71.05 (6) (b) 47. of the statutes is created to read:
5 71.05 (6) (b) 47. An amount equal to the increase in the number of full-time
6 equivalent employees employed by the taxpayer in this state during the taxable year,
7 multiplied by, for a business with gross receipts of no greater than \$5,000,000 in the
8 taxable year, \$4,000 for each individual hired who is a woman, veteran, or minority
9 class member and \$2,000 for each individual hired who is not such a person or, for
10 a business with gross receipts greater than \$5,000,000 in the taxable year, \$2,000 for
11 each individual hired who is a woman, veteran, or minority class member and \$1,000

1 for each individual hired who is not such a person. For purposes of this subdivision,
2 the increase in the number of full-time equivalent employees employed by the
3 taxpayer in this state during the taxable year is determined by subtracting from the
4 number of full-time equivalent employees employed by the taxpayer in this state
5 during the taxable year, as determined by computing the average employee count
6 from the taxpayer's quarterly unemployment insurance reports or other information
7 as required by the department for the taxable year, the number of full-time
8 equivalent employees employed by the taxpayer in this state during the immediately
9 preceding taxable year, as determined by computing the average employee count
10 from the taxpayer's quarterly unemployment insurance reports or other information
11 as required by the department for the immediately preceding taxable year. No
12 person may claim a deduction under this subdivision if the person may claim a credit
13 under this subchapter based on the person relocating the person's business from
14 another state to this state and in an amount equal to the person's tax liability. The
15 department shall promulgate rules to administer this subdivision.

16 **SECTION 2.** 71.26 (1) (h) of the statutes is created to read:

17 71.26 (1) (h) An amount equal to the increase in the number of full-time
18 equivalent employees employed by the taxpayer in this state during the taxable year,
19 multiplied by, for a business with gross receipts of no greater than \$5,000,000 in the
20 taxable year, \$4,000 for each individual hired who is a woman, veteran, or minority
21 class member and \$2,000 for each individual hired who is not such a person or, for
22 a business with gross receipts greater than \$5,000,000 in the taxable year, \$2,000 for
23 each individual hired who is a woman, veteran, or minority class member and \$1,000
24 for each individual hired who is not such a person. For purposes of this paragraph,
25 the increase in the number of full-time equivalent employees employed by the

1 taxpayer in this state during the taxable year is determined by subtracting from the
2 number of full-time equivalent employees employed by the taxpayer in this state
3 during the taxable year, as determined by computing the average employee count
4 from the taxpayer's quarterly unemployment insurance reports or other information
5 as required by the department for the taxable year, the number of full-time
6 equivalent employees employed by the taxpayer in this state during the immediately
7 preceding taxable year, as determined by computing the average employee count
8 from the taxpayer's quarterly unemployment insurance reports or other information
9 as required by the department for the immediately preceding taxable year. No
10 person may claim a deduction under this paragraph if the person may claim a credit
11 under this subchapter based on the person relocating the person's business from
12 another state to this state and in an amount equal to the person's tax liability. The
13 department shall promulgate rules to administer this paragraph.

14 **SECTION 3.** 71.45 (1) (c) of the statutes is created to read:

15 71.45 (1) (c) An amount equal to the increase in the number of full-time
16 equivalent employees employed by the taxpayer in this state during the taxable year,
17 multiplied by, for a business with gross receipts of no greater than \$5,000,000 in the
18 taxable year, \$4,000 for each individual hired who is a woman, veteran, or minority
19 class member and \$2,000 for each individual hired who is not such a person or, for
20 a business with gross receipts greater than \$5,000,000 in the taxable year, \$2,000 for
21 each individual hired who is a woman, veteran, or minority class member and \$1,000
22 for each individual hired who is not such a person. For purposes of this paragraph,
23 the increase in the number of full-time equivalent employees employed by the
24 taxpayer in this state during the taxable year is determined by subtracting from the
25 number of full-time equivalent employees employed by the taxpayer in this state

1 during the taxable year, as determined by computing the average employee count
2 from the taxpayer's quarterly unemployment insurance reports or other information
3 as required by the department for the taxable year, the number of full-time
4 equivalent employees employed by the taxpayer in this state during the immediately
5 preceding taxable year, as determined by computing the average employee count
6 from the taxpayer's quarterly unemployment insurance reports or other information
7 as required by the department for the immediately preceding taxable year. No
8 person may claim a deduction under this paragraph if the person may claim a credit
9 under this subchapter based on the person relocating the person's business from
10 another state to this state and in an amount equal to the person's tax liability. The
11 department shall promulgate rules to administer this paragraph.

12 **SECTION 4. Nonstatutory provisions.**

13 (1) REQUIRED GENERAL FUND BALANCE. Section 20.003 (4) of the statutes does not
14 apply to the action of the legislature in enacting this act.

15 **SECTION 5. Initial applicability.**

16 (1) This act first applies to taxable years beginning on January 1, 2011.

17 (END)