

2011 DRAFTING REQUEST

Bill

Received: 07/18/2011

Received By: jkreye

Wanted: As time permits

Companion to LRB:

For: Mark Pocan (608) 266-8570

By/Representing: glenn

May Contact:

Drafter: jkreye

Subject: Tax, Business - crp inc, fran

Addl. Drafters:

Extra Copies:

Submit via email: YES

Requester's email: Rep.Pocan@legis.wisconsin.gov

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

Pre Topic:

No specific pre topic given

Topic:

Limiting the corporate income tax deduction for compensation paid to an employee

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 07/18/2011	mduchek 08/05/2011		_____			State
/1			rschluet 08/08/2011	_____	sbasford 08/08/2011	sbasford 10/03/2011	

FE Sent For:

at intro
11-1-11

<END>

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/?	jkreye						

FE Sent For:

<END>

Kreye, Joseph

From: Kuesel, Jeffery
Sent: Monday, July 18, 2011 11:49 AM
To: Kreye, Joseph
Subject: FW: Redraft of 2003 AB434

Joe,

I think this is yours.

Jeff

From: Wavrunek, Glenn
Sent: Monday, July 18, 2011 11:43 AM
To: Kuesel, Jeffery
Subject: Redraft of 2003 AB434

Jeff -

Mark would like a redraft of 2003 AB434 (relating to: limiting the corporate income tax deduction for compensation paid to an employee); Here's a link to the previous legislation:

<http://legis.wisconsin.gov/2003/data/ab434hst.html>

Please let me know if you have any questions. Thanks!

Glenn Wavrunek
Office of Rep. Mark Pocan

2398/11

med + wlj

7-18-11

PWF Done

2003 ASSEMBLY BILL 434

July 15, 2003 - Introduced by Representatives POCAN, BERCEAU, BLACK, BOYLE, J. LEHMAN, MILLER, MUSSER, PLOUFF, SCHNEIDER, SINICKI and TAYLOR, cosponsored by Senators RISSER, CARPENTER and CHVALA. Referred to Committee on Ways and Means.

Regen

1 AN ACT to amend 71.26 (3) (e) 1. of the statutes; relating to: limiting the
2 corporate income tax deduction for compensation paid to an employee.

Analysis by the Legislative Reference Bureau

Under current law, a corporation may deduct from its income tax the compensation paid to its officers and employees. The corporate income tax deduction for compensation paid to executive officers cannot exceed \$1,000,000.

This bill further limits any single corporate income tax deduction for compensation paid to an employee or officer to an amount not to exceed the compensation paid to a corporation's lowest-paid full-time employee multiplied by 25.

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:

3 SECTION 1. 71.26 (3) (e) 1. of the statutes is amended to read:

4 71.26 (3) (e) 1. So that payments for wages, salaries, commissions and bonuses
5 of employees and officers may be deducted only if the name, address and amount paid
6 to each resident of this state to whom compensation of \$600 or more has been paid

, unless the compensation is performance-based

ASSEMBLY BILL 434

1 during the taxable year is reported or if the department of revenue is satisfied that
 2 failure to report has resulted in no revenue loss to this state. A deduction for wages,
 3 salaries, commissions, and bonuses paid to an employee or officer shall not exceed
 4 an amount equal to the ^{sum} product of the wages, salaries, commissions, and bonuses
 5 paid to the corporation's lowest paid full-time employee multiplied by 25.

6 **SECTION 2. Initial applicability.**

7 (1) This act first applies to taxable years beginning on January 1, ~~2003~~
 8

(END)

2011

Basford, Sarah

From: Wavrunek, Glenn
Sent: Monday, October 03, 2011 12:16 PM
To: LRB.Legal
Subject: Draft Review: LRB 11-2398/1 Topic: Limiting the corporate income tax deduction for compensation paid to an employee

Please Jacket LRB 11-2398/1 for the ASSEMBLY.