State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

1 EAST MAIN, SUITE 200
P. O. BOX 2037
MADISON, WI 53701-2037

LEGAL SECTION: (608) 266-3561
REFERENCE SECTION: (608) 266-0341
FAX: (608) 264-6948

STEPHEN R. MILLER
CHIEF

October 13, 2011

MEMORANDUM

To: Senator Wanggaard

From: Joseph T. Kreye, Sr. Legislative Attorney, (608) 266–2263

Subject: Technical Memorandum to **2011 SB 201** (LRB–2471/1) **by DOR**

We received the attached technical memorandum relating to your bill. This copy is for your information and your file.

If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

MEMORANDUM

October 6, 2011

TO: Joseph Kreye
Legislative Reference Bureau

FROM: John Koskinen
Michael Oakleaf
Department of Revenue

SUBJECT: Technical Memorandum on SB 201 (LRB 2471/1) – Credit for Hiring Unemployed Individuals

The Department has the following technical concerns with the above-referenced bill:

- Wisconsin law currently provides a deduction of $4,000 ($2,000 if gross receipts are greater than $5,000,000) for the increase in the number of full-time employees. An employer could qualify for both the job creation deduction (if the number of employees is increased) and the hiring the unemployed credit. Is it the intent to allow both the credit and the deduction for the same individual? The author may wish to clarify this.

- The credit is equal to $5,000 for each qualified individual hired in the taxable year to work at a full-time job at the claimant's business. It appears that the employer would be allowed to claim the credit even if the individual is no longer employed by the claimant at the end of the taxable year as long as the individual was originally hired for a full-time job. Is this the author's intent?

- Under the bill, an employer could hire a qualified individual and claim the credit, subsequently lay the individual off for 61 days, and then hire the same individual back and claim a second credit for the same individual. Is this the author's intent?

If you have any questions regarding this technical memorandum, please contact Michael Oakleaf at 261-5173 or via email at Michael.oakleaf@revenue.wi.gov.

cc: Sen. Wanggaard