2011 Sel DRAFTING REQUEST

Bill

Received: **10/05/2011**

Received By: **jkreye**

Wanted: **Today**

Companion to LRB: **-3078**

For: **Scott Fitzgerald (608) 266-5660**

By/Representing: **rob**

May Contact:

Drafter: **jkreye**

Subject: **Tax, Business - credits**

Addl. Drafters:

Extra Copies:

Submit via email: **YES**

Requester's email: **Sen.Fitzgerald@legis.wisconsin.gov**

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

Pre Topic:

No specific pre topic given

Topic:

Allowing refunds for early stage seed and angel investment credits

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Instructions:

See attached

Drafting History:

Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	Jacketed	Required
/?	jkreye 10/05/2011	wjackson 10/05/2011		_____ _____			State
/1			jfrantze 10/05/2011	_____ _____	lparisi 10/05/2011	lparisi 10/05/2011	

FE Sent For:

at intro
10-11-11

<END>

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/?	jkreye	/1 WLJ 10/5	10/5				

FE Sent For:

<END>

State of Wisconsin
2011 – 2012 LEGISLATURE

LRB–0800/1
JK:wlj:md

Sept. 2011 Spec Sess

Stays 3077/1

2011 ASSEMBLY BILL 20

February 8, 2011 – Introduced by Representatives BARCA, SEIDEL, HINTZ, VRUWINK, MILROY, PASCH, MOLEPSKE JR, DANOU, TURNER, SINICKI, FIELDS, BERCEAU, SHILLING, CLARK, POPE-ROBERTS, JORGENSEN, BERNARD SCHABER, D. CULLEN and HEBL, cosponsored by Senators LASSA, S. COGGS and ERPENBACH. Referred to Committee on Jobs, Economy and Small Business.

Today 10-5

Regen

AN ACT ***to amend*** 71.07 (5b) (d) 1., 71.07 (5d) (d) 2., 71.10 (4) (gwb), 71.10 (4) (gx), 71.10 (4) (i), 71.28 (5b) (d) 1., 71.30 (3) (eop), 71.30 (3) (f), 71.47 (5b) (d) 1., 71.49 (1) (eop) and 71.49 (1) (f); and ***to create*** 20.835 (2) (ba), 71.07 (5b) (d) 1m., 71.07 (5b) (d) 4., 71.07 (5d) (d) 2m., 71.07 (5d) (d) 5., 71.28 (5b) (d) 1m., 71.28 (5b) (d) 4., 71.47 (5b) (d) 1m. and 71.47 (5b) (d) 4. of the statutes; **relating to:** allowing refunds for the early stage seed and angel investment tax credits and making an appropriation.

Analysis by the Legislative Reference Bureau

Under current law, a taxpayer may claim early stage seed and angel investment income and franchise tax credits for the taxpayer's investments in qualified new businesses. If the credit amounts exceed the taxpayer's tax liability, the taxpayer does not receive a refund, but, instead, may apply the amount of the unused credits to subsequent taxable years. Under this bill, if the credit amounts exceed 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) (ba) of the statutes is created to read:

2 20.835 **(2)** (ba) *Early stage seed and angel investment credits.* A sum sufficient
3 to make the payments under ss. 71.07 (5b) (d) 4. and (5d) (d) 5., 71.28 (5b) (d) 4., and
4 71.47 (5b) (d) 4.

5 **SECTION 2.** 71.07 (5b) (d) 1. of the statutes is amended to read:

6 71.07 **(5b)** (d) 1. ~~Section~~ For taxable years beginning before January 1, 2011,
7 s. 71.28 (4) (e) to (h), as it applies to the credit under s. 71.28 (4), applies to the credit
8 under this subsection.

9 **SECTION 3.** 71.07 (5b) (d) 1m. of the statutes is created to read:

10 71.07 **(5b)** (d) 1m. For taxable years beginning after December 31, 2010, s.
11 71.28 (4) (e), (g), and (h), as it applies to the credit under s. 71.28 (4), applies to the
12 credit under this subsection.

13 **SECTION 4.** 71.07 (5b) (d) 4. of the statutes is created to read:

14 71.07 **(5b)** (d) 4. For taxable years beginning after December 31, 2010, if the
15 allowable amount of the claim under par. (b) exceeds the tax otherwise due under s.
16 71.02 or 71.08, the amount of the claim not used to offset the tax due shall be certified
17 by the department of revenue to the department of administration for payment by
18 check, share draft, or other draft drawn from the appropriation account under s.
19 20.835 (2) (ba).

20 **SECTION 5.** 71.07 (5d) (d) 2. of the statutes is amended to read:

71.07 **(5d)** (d) 2. ~~Section~~ For taxable years beginning before January 1, 2011, s. 71.28 (4) (e) to (h), as it applies to the credit under s. 71.28 (4), applies to the credit under this subsection.

SECTION 6. 71.07 (5d) (d) 2m. of the statutes is created to read:

71.07 **(5d)** (d) 2m. For taxable years beginning after December 31, 2010, s. 71.28 (4) (e), (g), and (h), as it applies to the credit under s. 71.28 (4), applies to the credit under this subsection.

SECTION 7. 71.07 (5d) (d) 5. of the statutes is created to read:

71.07 **(5d)** (d) 5. For taxable years beginning after December 31, 2010, if the allowable amount of the claim under par. (b) exceeds the tax otherwise due under s. 71.02 or 71.08, the amount of the claim not used to offset the tax due shall be certified by the department of revenue to the department of administration for payment by check, share draft, or other draft drawn from the appropriation account under s. 20.835 (2) (ba).

SECTION 8. 71.10 (4) (gwb) of the statutes is amended to read:

71.10 **(4)** (gwb) Early stage seed investment credit under s. 71.07 (5b), except as provided under par. (i).

SECTION 9. 71.10 (4) (gx) of the statutes is amended to read:

71.10 **(4)** (gx) Angel investment credit under s. 71.07 (5d), except as provided under par. (i).

SECTION 10. 71.10 (4) (i) of the statutes is amended to read:

71.10 **(4)** (i) The total of claim of right credit under s. 71.07 (1), farmland preservation credit under ss. 71.57 to 71.61, farmland preservation credit, 2010 and beyond under s. 71.613, homestead credit under subch. VIII, farmland tax relief credit under s. 71.07 (3m), dairy manufacturing facility investment credit under s.

71.07 (3p), jobs tax credit under s. 71.07 (3q), meat processing facility investment credit under s. 71.07 (3r), woody biomass harvesting and processing credit under s. 71.07 (3rm), food processing plant and food warehouse investment credit under s. 71.07 (3rn), early stage seed investment credit under s. 71.07 (5b) (d) 4., angel investment credit under s. 71.07 (5d) (d) 5., film production services credit under s. 71.07 (5f), film production company investment credit under s. 71.07 (5h), veterans and surviving spouses property tax credit under s. 71.07 (6e), enterprise zone jobs credit under s. 71.07 (3w), beginning farmer and farm asset owner tax credit under s. 71.07 (8r), earned income tax credit under s. 71.07 (9e), estimated tax payments under s. 71.09, and taxes withheld under subch. X.

SECTION 11. 71.28 (5b) (d) 1. of the statutes is amended to read:

71.28 **(5b)** (d) 1. ~~Subsection~~ For taxable years beginning before January 1, 2011, sub. (4) (e) to (h), as it applies to the credit under sub. (4), applies to the credit under this subsection.

SECTION 12. 71.28 (5b) (d) 1m. of the statutes is created to read:

71.28 **(5b)** (d) 1m. For taxable years beginning after December 31, 2010, sub. (4) (e), (g), and (h), as it applies to the credit under sub. (4), applies to the credit under this subsection.

SECTION 13. 71.28 (5b) (d) 4. of the statutes is created to read:

71.28 **(5b)** (d) 4. For taxable years beginning after December 31, 2010, if the allowable amount of the claim under par. (b) exceeds the tax otherwise due under s. 71.23, the amount of the claim not used to offset the tax due shall be certified by the department of revenue to the department of administration for payment by check, share draft, or other draft drawn from the appropriation account under s. 20.835 (2) (ba).

1 **SECTION 14.** 71.30 (3) (eop) of the statutes is amended to read:

2 71.30 **(3)** (eop) Early stage seed investment credit under s. 71.28 (5b), except
3 as provided under par. (f).

4 **SECTION 15.** 71.30 (3) (f) of the statutes is amended to read:

5 71.30 **(3)** (f) The total of farmland preservation credit under subch. IX,
6 farmland tax relief credit under s. 71.28 (2m), dairy manufacturing facility
7 investment credit under s. 71.28 (3p), jobs credit under s. 71.28 (3q), meat processing
8 facility investment credit under s. 71.28 (3r), woody biomass harvesting and
9 processing credit under s. 71.28 (3rm), food processing plant and food warehouse
10 investment credit under s. 71.28 (3rn), enterprise zone jobs credit under s. 71.28
11 (3w), early stage seed investment credit under s. 71.28 (5b) (d) 4., film production
12 services credit under s. 71.28 (5f), film production company investment credit under
13 s. 71.28 (5h), beginning farmer and farm asset owner tax credit under s. 71.28 (8r),
14 and estimated tax payments under s. 71.29.

15 **SECTION 16.** 71.47 (5b) (d) 1. of the statutes is amended to read:

16 71.47 **(5b)** (d) 1. ~~Section~~ For taxable years beginning before January 1, 2011,
17 s. 71.28 (4) (e) to (h), as it applies to the credit under s. 71.28 (4), applies to the credit
18 under this subsection.

19 **SECTION 17.** 71.47 (5b) (d) 1m. of the statutes is created to read:

20 71.47 **(5b)** (d) 1m. For taxable years beginning after December 31, 2010, s.
21 71.28 (4) (e), (g), and (h), as it applies to the credit under s. 71.28 (4), applies to the
22 credit under this subsection.

23 **SECTION 18.** 71.47 (5b) (d) 4. of the statutes is created to read:

24 71.47 **(5b)** (d) 4. For taxable years beginning after December 31, 2010, if the
25 allowable amount of the claim under par. (b) exceeds the tax otherwise due under s.

71.43, the amount of the claim not used to offset the tax due shall be certified by the department of revenue to the department of administration for payment by check, share draft, or other draft drawn from the appropriation account under s. 20.835 (2) (ba).

SECTION 19. 71.49 (1) (eop) of the statutes is amended to read:

71.49 **(1)** (eop) Early stage seed investment credit under s. 71.47 (5b)<u>, except as provided under par. (f)</u>.

SECTION 20. 71.49 (1) (f) of the statutes is amended to read:

71.49 **(1)** (f) The total of farmland preservation credit under subch. IX, farmland tax relief credit under s. 71.47 (2m), dairy manufacturing facility investment credit under s. 71.47 (3p), jobs credit under s. 71.47 (3q), meat processing facility investment credit under s. 71.47 (3r), woody biomass harvesting and processing credit under s. 71.47 (3rm), food processing plant and food warehouse investment credit under s. 71.47 (3rn), enterprise zone jobs credit under s. 71.47 (3w), <u>early stage seed investment credit under s. 71.47 (5b) (d) 4.,</u> film production services credit under s. 71.47 (5f), film production company investment credit under s. 71.47 (5h), beginning farmer and farm asset owner tax credit under s. 71.47 (8r), and estimated tax payments under s. 71.48.

SECTION 21. Effective date.

(1) This act takes effect on the day after publication of the 2011–2013 biennial budget act.

(END)