1 (b) 1. and 2., (df) 1. and 2., (dh) 1., 2., and 3., (dj) 1. and (dk) 1. and research expenses
2 used in calculating the base amount include research expenses incurred before the
3 claimant is certified for tax benefits under s. 560.765 (3), 2009 stats., in a
4 development zone, if the claimant submits with the claimant's return a copy of the
5 claimant's certification for tax benefits under s. 560.765 (3) 2009 stats., and a
6 statement from the department of commerce verifying the claimant's qualified
7 research expenses for research conducted exclusively in a development zone. The
8 rules under s. 73.03 (35) apply to the credit under this paragraph. The rules under
9 sub. (2di) (f) and (g), as they apply to the credit under that subsection, apply to claims
10 under this paragraph. Section 41 (h) of the internal revenue code does not apply to
11 the credit under this paragraph.

12 **SECTION 425.** 71.07 (2dr) (b) of the statutes is amended to read:

13 71.07 **(2dr)** (b) *Development opportunity zones.* The development zones
14 research credit under par. (a), as it applies to a person certified under s. 560.765 (3),
15 2009 stats., applies to a person that conducts economic activity in a development
16 opportunity zone under s. 560.795 (1), 2009 stats., and that is entitled to tax benefits
17 under s. 560.795 (3), 2009 stats., subject to the limits under s. 560.795 (2), 2009 stats.
18 A development opportunity zone credit under this paragraph may be calculated
19 using expenses incurred by a claimant beginning on the effective date under s.
20 560.795 (2) (a), 2009 stats., of the development opportunity zone designation of the
21 area in which the claimant conducts economic activity.

22 **SECTION 426.** 71.07 (2ds) (a) 1. of the statutes is amended to read:

23 71.07 **(2ds)** (a) 1. "Development zone" means a zone designated under s. 560.71,
24 2009 stats.

25 **SECTION 427.** 71.07 (2ds) (b) of the statutes is amended to read:

1 71.07 **(2ds)** (b) Except as provided in pars. (dm) and (e) and s. 73.03 (35), for
2 any taxable year for which the person is certified under s. 560.765 (3), 2009 stats.,
3 for tax benefits, any person may claim as a credit against taxes otherwise due under
4 this chapter the taxes paid under subchs. III and V of ch. 77 on their purchases, leases
5 and rentals of eligible property. Partnerships, limited liability companies and
6 tax-option corporations may not claim the credit under this subsection, but the
7 eligibility for, and the amount of, that credit shall be determined on the basis of their
8 economic activity, not that of their partners, members or shareholders. The
9 partnership, limited liability company or corporation shall compute the amount of
10 credit that may be claimed by each of its partners, members or shareholders and
11 shall provide that information to each of its partners, members or shareholders.
12 Partners, members of a limited liability company and shareholders of tax-option
13 corporations may claim the credit based on the partnership's, company's or
14 corporation's activities in proportion to their ownership interest.

15 **SECTION 428.** 71.07 (2ds) (d) 1. of the statutes is amended to read:

16 71.07 **(2ds)** (d) 1. A copy of the claimant's certification for tax benefits under
17 s. 560.765 (3), 2009 stats.

18 **SECTION 429.** 71.07 (2dx) (a) 2. of the statutes is amended to read:

19 71.07 **(2dx)** (a) 2. "Development zone" means a development zone under s.
20 238.30 or s. 560.70, 2009 stats., a development opportunity zone under s. 238.395 or
21 s. 560.795, 2009 stats., an enterprise development zone under s. 238.397 or s.
22 560.797, 2009 stats., an agricultural development zone under s. 238.398 or s.
23 560.798, 2009 stats., or an airport development zone under s. 238.3995 or s.
24 560.7995, 2009 stats.

25 **SECTION 430.** 71.07 (2dx) (b) (intro.) of the statutes is amended to read:

71.07 **(2dx)** (b) *Credit.* (intro.) Except as provided in pars. (be) and (bg) and in s. 73.03 (35), and subject to s. 238.385 or s. 560.785, 2009 stats., for any taxable year for which the person is entitled under s. 238.395 (3) or s. 560.795 (3), 2009 stats., to claim tax benefits or certified under s. 238.365 (3), 238.397 (4), 238.398 (3), or 238.3995 (4) or s. 560.765 (3), 2009 stats., s. 560.797 (4), 2009 stats., s. 560.798 (3), 2009 stats., or s. 560.7995 (4), 2009 stats., any person may claim as a credit against the taxes otherwise due under this chapter the following amounts:

SECTION 431. 71.07 (2dx) (b) 2. of the statutes is amended to read:

71.07 **(2dx)** (b) 2. The amount determined by multiplying the amount determined under s. 238.385 (1) (b) or s. 560.785 (1) (b), 2009 stats., by the number of full-time jobs created in a development zone and filled by a member of a targeted group and by then subtracting the subsidies paid under s. 49.147 (3) (a) or the subsidies and reimbursements paid under s. 49.147 (3m) (c) for those jobs.

SECTION 432. 71.07 (2dx) (b) 3. of the statutes is amended to read:

71.07 **(2dx)** (b) 3. The amount determined by multiplying the amount determined under s. 238.385 (1) (c) or s. 560.785 (1) (c), 2009 stats., by the number of full-time jobs created in a development zone and not filled by a member of a targeted group and by then subtracting the subsidies paid under s. 49.147 (3) (a) or the subsidies and reimbursements paid under s. 49.147 (3m) (c) for those jobs.

SECTION 433. 71.07 (2dx) (b) 4. of the statutes is amended to read:

71.07 **(2dx)** (b) 4. The amount determined by multiplying the amount determined under s. 238.385 (1) (bm) or s. 560.785 (1) (bm), 2009 stats., by the number of full-time jobs retained, as provided in the rules under s. 238.385 or s. 560.785, 2009 stats., excluding jobs for which a credit has been claimed under sub. (2dj), in an enterprise development zone under s. 238.397 or s. 560.797, 2009 stats.,

1 and for which significant capital investment was made and by then subtracting the
2 subsidies paid under s. 49.147 (3) (a) or the subsidies and reimbursements paid
3 under s. 49.147 (3m) (c) for those jobs.

4 **SECTION 434.** 71.07 (2dx) (b) 5. of the statutes is amended to read:

5 71.07 **(2dx)** (b) 5. The amount determined by multiplying the amount
6 determined under s. 238.385 (1) (c) or s. 560.785 (1) (c), 2009 stats., by the number
7 of full-time jobs retained, as provided in the rules under s. 238.385 or s. 560.785,
8 2009 stats., excluding jobs for which a credit has been claimed under sub. (2dj), in
9 a development zone and not filled by a member of a targeted group and by then
10 subtracting the subsidies paid under s. 49.147 (3) (a) or the subsidies and
11 reimbursements paid under s. 49.147 (3m) (c) for those jobs.

12 **SECTION 435.** 71.07 (2dx) (be) of the statutes is amended to read:

13 71.07 **(2dx)** (be) *Offset.* A claimant in a development zone under s. 238.395 (1)
14 (e) or s. 560.795 (1) (e), 2009 stats., may offset any credits claimed under this
15 subsection, including any credits carried over, against the amount of the tax
16 otherwise due under this subchapter attributable to all of the claimant's income and
17 against the tax attributable to income from directly related business operations of
18 the claimant.

19 **SECTION 436.** 71.07 (2dx) (bg) of the statutes is amended to read:

20 71.07 **(2dx)** (bg) *Other entities.* For claimants in a development zone under s.
21 238.395 (1) (e) or s. 560.795 (1) (e), 2009 stats., partnerships, limited liability
22 companies, and tax-option corporations may not claim the credit under this
23 subsection, but the eligibility for, and amount of, that credit shall be determined on
24 the basis of their economic activity, not that of their shareholders, partners, or
25 members. The corporation, partnership, or company shall compute the amount of

1 the credit that may be claimed by each of its shareholders, partners, or members and
2 shall provide that information to each of its shareholders, partners, or members.
3 Partners, members of limited liability companies, and shareholders of tax-option
4 corporations may claim the credit based on the partnership's, company's, or
5 corporation's activities in proportion to their ownership interest and may offset it
6 against the tax attributable to their income.

7 **SECTION 437.** 71.07 (2dx) (c) of the statutes is amended to read:

8 71.07 **(2dx)** (c) *Credit precluded.* If the certification of a person for tax benefits
9 under s. 238.365 (3), 238.397 (4), 238.398 (3), or 238.3995 (4) or s. 560.765 (3), 2009
10 stats., s. 560.797 (4), 2009 stats., s. 560.798 (3), 2009 stats., or s. 560.7995 (4), 2009
11 stats., is revoked, or if the person becomes ineligible for tax benefits under s. 238.395
12 (3) or s. 560.795 (3), 2009 stats., that person may not claim credits under this
13 subsection for the taxable year that includes the day on which the certification is
14 revoked; the taxable year that includes the day on which the person becomes
15 ineligible for tax benefits; or succeeding taxable years and that person may not carry
16 over unused credits from previous years to offset tax under this chapter for the
17 taxable year that includes the day on which certification is revoked; the taxable year
18 that includes the day on which the person becomes ineligible for tax benefits; or
19 succeeding taxable years.

20 **SECTION 438.** 71.07 (2dx) (d) of the statutes is amended to read:

21 71.07 **(2dx)** (d) *Carry-over precluded.* If a person who is entitled under s.
22 238.395 (3) or s. 560.795 (3), 2009 stats., to claim tax benefits or certified under s.
23 238.365 (3), 238.397 (4), 238.398 (3), or 238.3995 (4) or s. 560.765 (3), 2009 stats., s.
24 560.797 (4), 2009 stats., s. 560.798 (3), 2009 stats., or s. 560.7995 (4), 2009 stats., for
25 tax benefits ceases business operations in the development zone during any of the

1 taxable years that that zone exists, that person may not carry over to any taxable
2 year following the year during which operations cease any unused credits from the
3 taxable year during which operations cease or from previous taxable years.

4 **SECTION 439.** 71.07 (2dy) (a) of the statutes is amended to read:

5 71.07 **(2dy)** (a) *Definition.* In this subsection, "claimant" means a person who
6 files a claim under this subsection and is certified under s. 238.301 (2) or s. 560.701
7 (2), 2009 stats., and authorized to claim tax benefits under s. 238.303 or s. 560.703,
8 2009 stats.

9 **SECTION 440.** 71.07 (2dy) (b) of the statutes is amended to read:

10 71.07 **(2dy)** (b) *Filing claims.* Subject to the limitations under this subsection
11 and ss. 238.301 to 238.306 or ss. 560.701 to 560.706, 2009 stats., for taxable years
12 beginning after December 31, 2008, a claimant may claim as a credit against the tax
13 imposed under s. 71.02 or 71.08, up to the amount of the tax, the amount authorized
14 for the claimant under s. 238.303 or s. 560.703, 2009 stats.

15 **SECTION 441.** 71.07 (2dy) (c) 1. of the statutes is amended to read:

16 71.07 **(2dy)** (c) 1. No credit may be allowed under this subsection unless the
17 claimant includes with the claimant's return a copy of the claimant's certification
18 under s. 238.301 (2) or s. 560.701 (2), 2009 stats., and a copy of the claimant's notice
19 of eligibility to receive tax benefits under s. 238.303 (3) or s. 560.703 (3), 2009 stats.

20 **SECTION 442.** 71.07 (2dy) (c) 2. of the statutes is amended to read:

21 71.07 **(2dy)** (c) 2. Partnerships, limited liability companies, and tax-option
22 corporations may not claim the credit under this subsection, but the eligibility for,
23 and the amount of, the credit are based on their authorization to claim tax benefits
24 under s. 238.303 or s. 560.703, 2009 stats. A partnership, limited liability company,
25 or tax-option corporation shall compute the amount of credit that each of its

partners, members, or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interests.

SECTION 443. 71.07 (2dy) (d) 2. of the statutes is amended to read:

71.07 **(2dy)** (d) 2. If a claimant's certification is revoked under s. 238.305 or s. 560.705, 2009 stats., or if a claimant becomes ineligible for tax benefits under s. 238.302 or s. 560.702, 2009 stats., the claimant may not claim credits under this subsection for the taxable year that includes the day on which the certification is revoked; the taxable year that includes the day on which the claimant becomes ineligible for tax benefits; or succeeding taxable years and the claimant may not carry over unused credits from previous years to offset the tax imposed under s. 71.02 or 71.08 for the taxable year that includes the day on which certification is revoked; the taxable year that includes the day on which the claimant becomes ineligible for tax benefits; or succeeding taxable years.

SECTION 444. 71.07 (3g) (a) (intro.) of the statutes is amended to read:

71.07 **(3g)** (a) (intro.) Subject to the limitations under this subsection and ss. 73.03 (35m) and 238.23 and s. 560.96, 2009 stats., a business that is certified under s. 238.23 (3) or s. 560.96 (3), 2009 stats., may claim as a credit against the taxes imposed under s. 71.02 an amount equal to the sum of the following, as established under s. 238.23 (3) (c) or s. 560.96 (3) (c), 2009 stats:

SECTION 445. 71.07 (3g) (b) of the statutes is amended to read:

71.07 **(3g)** (b) The department of revenue shall notify the department of commerce or the Wisconsin Economic Development Corporation of all claims under this subsection.

1 **SECTION 446.** 71.07 (3g) (e) 2. of the statutes is amended to read:

2 71.07 **(3g)** (e) 2. The investments that relate to the amount described under par.
3 (a) 2. for which a claimant makes a claim under this subsection must be retained for
4 use in the technology zone for the period during which the claimant's business is
5 certified under s. 238.23 (3) or s. 560.96 (3), 2009 stats.

6 **SECTION 447.** 71.07 (3g) (f) 1. of the statutes is amended to read:

7 71.07 **(3g)** (f) 1. A copy of ~~a~~ the verification ~~from the department of commerce~~
8 that the claimant's business is certified under s. 238.23 (3) or s. 560.96 (3), 2009
9 stats., and that the business ~~and the department of commerce have~~ has entered into
10 an agreement under s. 238.23 (3) (d) or s. 560.96 (3) (d), 2009 stats.

11 **SECTION 448.** 71.07 (3g) (f) 2. of the statutes is amended to read:

12 71.07 **(3g)** (f) 2. A statement from the department of commerce or the Wisconsin
13 Economic Development Corporation verifying the purchase price of the investment
14 described under par. (a) 2. and verifying that the investment fulfills the requirement
15 under par. (e) 2.

16 **SECTION 449.** 71.07 (3p) (b) of the statutes is amended to read:

17 71.07 **(3p)** (b) *Filing claims.* Subject to the limitations provided in this
18 subsection and s. 93.535 or s. 560.207, 2009 stats., except as provided in par. (c) 5.,
19 for taxable years beginning after December 31, 2006, and before January 1, 2015, a
20 claimant may claim as a credit against the taxes imposed under s. 71.02 or 71.08, up
21 to the amount of the tax, an amount equal to 10 percent of the amount the claimant
22 paid in the taxable year for dairy manufacturing modernization or expansion related
23 to the claimant's dairy manufacturing operation.

24 **SECTION 450.** 71.07 (3p) (c) 2m. a. of the statutes is amended to read:

71.07 **(3p)** (c) 2m. a. The maximum amount of the credits that may be claimed under this subsection and ss. 71.28 (3p) and 71.47 (3p) in fiscal year 2007-08 is $600,000, as allocated under s. 560.207, 2009 stats.

SECTION 451. 71.07 (3p) (c) 2m. b. of the statutes is amended to read:

71.07 **(3p)** (c) 2m. b. The maximum amount of the credits that may be claimed by all claimants, other than members of dairy cooperatives, under this subsection and ss. 71.28 (3p) and 71.47 (3p) in fiscal year 2008-09, and in each fiscal year thereafter, is $700,000, as allocated under s. 93.535 or s. 560.207, 2009 stats.

SECTION 452. 71.07 (3p) (c) 2m. bm. of the statutes is amended to read:

71.07 **(3p)** (c) 2m. bm. The maximum amount of the credits that may be claimed by members of dairy cooperatives under this subsection and ss. 71.28 (3p) and 71.47 (3p) in fiscal year 2009-10 is $600,000, as allocated under s. 560.207, 2009 stats., and the maximum amount of the credits that may be claimed by members of dairy cooperatives under this subsection and ss. 71.28 (3p) and 71.47 (3p) in fiscal year 2010-11, and in each fiscal year thereafter, is $700,000, as allocated under s. 93.535 or s. 560.207, 2009 stats.

SECTION 453. 71.07 (3p) (c) 6. of the statutes is amended to read:

71.07 **(3p)** (c) 6. No credit may be allowed under this subsection unless the claimant submits with the claimant's return a copy of the claimant's credit certification and allocation under s. 93.535 or s. 560.207, 2009 stats.

SECTION 454. 71.07 (3q) (a) 1. of the statutes is amended to read:

71.07 **(3q)** (a) 1. "Claimant" means a person certified to receive tax benefits under s. 238.16 (2) or s. 560.2055 (2), 2009 stats.

SECTION 455. 71.07 (3q) (a) 2. of the statutes is amended to read:

1 71.07 **(3q)** (a) 2. "Eligible employee" means, for taxable years beginning before
2 January 1, 2011, an eligible employee under s. 560.2055 (1) (b), 2009 stats., who
3 satisfies the wage requirements under s. 560.2055 (3) (a) or (b), 2009 stats., or, for
4 taxable years beginning after December 31, 2010, an eligible employee under s.
5 238.16 (1) (b).

6 **SECTION 456.** 71.07 (3q) (b) (intro.) of the statutes is amended to read:

7 71.07 **(3q)** (b) *Filing claims.* (intro.) Subject to the limitations provided in this
8 subsection and s. 238.16 or s. 560.2055, 2009 stats., for taxable years beginning after
9 December 31, 2009, a claimant may claim as a credit against the taxes imposed under
10 ss. 71.02 and 71.08 any of the following.

11 **SECTION 457.** 71.07 (3q) (b) 1. of the statutes is amended to read:

12 71.07 **(3q)** (b) 1. The amount of wages that the claimant paid to an eligible
13 employee in the taxable year, not to exceed 10 percent of such wages, as determined
14 by the Wisconsin Economic Development Corporation under s. 238.16 or the
15 department of commerce under s. 560.2055, 2009 stats.

16 **SECTION 458.** 71.07 (3q) (b) 2. of the statutes is amended to read:

17 71.07 **(3q)** (b) 2. The amount of the costs incurred by the claimant in the taxable
18 year, as determined under s. 238.16 or s. 560.2055, 2009 stats., to undertake the
19 training activities described under s. 238.16 (3) (c) or s. 560.2055 (3) (c), 2009 stats.

20 **SECTION 459.** 71.07 (3q) (c) 2. of the statutes is amended to read:

21 71.07 **(3q)** (c) 2. No credit may be allowed under this subsection unless the
22 claimant includes with the claimant's return a copy of the claimant's certification for
23 tax benefits under s. 238.16 (2) or s. 560.2055 (2), 2009 stats.

24 **SECTION 460.** 71.07 (3q) (c) 3. of the statutes is amended to read:

71.07 **(3q)** (c) 3. The maximum amount of credits that may be awarded under this subsection and ss. 71.28 (3q) and 71.47 (3q) for the period beginning on January 1, 2010, and ending on June 30, 2013, is $14,500,000, not including the amount of any credits reallocated under s. 238.15 (3) (d) or s. 560.205 (3) (d), 2009 stats.

SECTION 461. 71.07 (3r) (b) of the statutes is amended to read:

71.07 **(3r)** (b) *Filing claims.* Subject to the limitations provided in this subsection and s. 238.19 or s. 560.208, 2009 stats., for taxable years beginning after December 31, 2008, and before January 1, 2017, a claimant may claim as a credit against the taxes imposed under s. 71.02 or 71.08, up to the amount of the tax, an amount equal to 10 percent of the amount the claimant paid in the taxable year for meat processing modernization or expansion related to the claimant's meat processing operation.

SECTION 462. 71.07 (3r) (c) 3. a. of the statutes is amended to read:

71.07 **(3r)** (c) 3. a. The maximum amount of the credits that may be allocated under this subsection and ss. 71.28 (3r) and 71.47 (3r) in fiscal year 2009-10 is $300,000, as allocated under s. 560.208, 2009 stats.

SECTION 463. 71.07 (3r) (c) 3. b. of the statutes is amended to read:

71.07 **(3r)** (c) 3. b. The maximum amount of the credits that may be allocated under this subsection and ss. 71.28 (3r) and 71.47 (3r) in fiscal year 2010-11, and in each fiscal year thereafter, is $700,000, as allocated under s. 238.19 or s. 560.208, 2009 stats.

SECTION 464. 71.07 (3r) (c) 6. of the statutes is amended to read:

71.07 **(3r)** (c) 6. No credit may be allowed under this subsection unless the claimant submits with the claimant's return a copy of the claimant's credit certification and allocation under s. 238.19 or s. 560.208, 2009 stats.

1 **SECTION 465.** 71.07 (3rm) (b) of the statutes is amended to read:

2 71.07 **(3rm)** (b) *Filing claims.* Subject to the limitations provided in this
3 subsection and s. 238.21 or s. 560.209, 2009 stats., for taxable years beginning after
4 December 31, 2009, and before January 1, 2016, a claimant may claim as a credit
5 against the taxes imposed under s. 71.02 or 71.08, up to the amount of the tax, an
6 amount equal to 10 percent of the amount the claimant paid in the taxable year for
7 equipment that is used primarily to harvest or process woody biomass that is used
8 as fuel or as a component of fuel.

9 **SECTION 466.** 71.07 (3rm) (c) 3. of the statutes is amended to read:

10 71.07 **(3rm)** (c) 3. The maximum amount of the credits that may be claimed
11 under this subsection and ss. 71.28 (3rm) and 71.47 (3rm) is $900,000, as allocated
12 under s. 238.21 or s. 560.209, 2009 stats.

13 **SECTION 467.** 71.07 (3rn) (b) of the statutes is amended to read:

14 71.07 **(3rn)** (b) *Filing claims.* Subject to the limitations provided in this
15 subsection and s. ~~506.2056~~ 238.17 or s. 560.2056, 2009 stats., for taxable years
16 beginning after December 31, 2009, and before January 1, 2017, a claimant may
17 claim as a credit against the tax imposed under ss. 71.02 and 71.08, up to the amount
18 of the tax, an amount equal to 10 percent of the amount the claimant paid in the
19 taxable year for food processing or food warehousing modernization or expansion
20 related to the operation of the claimant's food processing plant or food warehouse.

21 **SECTION 468.** 71.07 (3rn) (c) 3. a. of the statutes is amended to read:

22 71.07 **(3rn)** (c) 3. a. The maximum amount of the credits that may be allocated
23 under this subsection and ss. 71.28 (3rn) and 71.47 (3rn) in fiscal year 2009-10 is
24 $1,000,000, as allocated under s. 560.2056, 2009 stats.

25 **SECTION 469.** 71.07 (3rn) (c) 3. b. of the statutes is amended to read:

71.07 **(3rn)** (c) 3. b. The maximum amount of the credits that may be allocated under this subsection and ss. 71.28 (3rn) and 71.47 (3rn) in fiscal year 2010-11 is $1,200,000, as allocated under s. 560.2056, 2009 stats.

SECTION 470. 71.07 (3rn) (c) 3. c. of the statutes is amended to read:

71.07 **(3rn)** (c) 3. c. The maximum amount of the credits that may be allocated under this subsection and ss. 71.28 (3rn) and 71.47 (3rn) in fiscal year 2011-12, and in each year thereafter, is $700,000, as allocated under s. 238.17 or s. 560.2056, 2009 stats.

SECTION 471. 71.07 (3rn) (c) 6. of the statutes is amended to read:

71.07 **(3rn)** (c) 6. No credit may be allowed under this subsection unless the claimant submits with the claimant's return a copy of the claimant's credit certification and allocation under s. 238.17 or s. 560.2056, 2009 stats.

SECTION 472. 71.07 (3t) (b) of the statutes is amended to read:

71.07 **(3t)** (b) *Credit.* Subject to the limitations provided in this subsection and in s. 560.28, 2009 stats., for taxable years beginning after December 31, 2007, a claimant may claim as a credit, amortized over 15 taxable years starting with the taxable year beginning after December 31, 2007, against the tax imposed under s. 71.02 and 71.08, up to the amount of the tax, an amount equal to the claimant's unused credits under s. 71.07 (3s).

SECTION 473. 71.07 (3t) (c) 1. of the statutes is amended to read:

71.07 **(3t)** (c) 1. No credit may be claimed under this subsection unless the claimant submits with the claimant's return a copy of the claimant's certification by the department of commerce under s. 560.28, 2009 stats., except that, with regard to credits claimed by partners of a partnership, members of a limited liability company, or shareholders of a tax-option corporation, the entity shall provide a copy

of its certification under s. 560.28, 2009 stats., to the partner, member, or shareholder to submit with his or her return.

SECTION 474. 71.07 (3w) (a) 2. of the statutes is amended to read:

71.07 **(3w)** (a) 2. "Claimant" means a person who is certified to claim tax benefits under s. 238.399 (5) or s. 560.799 (5), 2009 stats., and who files a claim under this subsection.

SECTION 475. 71.07 (3w) (a) 3. of the statutes is amended to read:

71.07 **(3w)** (a) 3. "Full-time employee" means a full-time employee, as defined in s. 238.399 (1) (am) or s. 560.799 (1) (am), 2009 stats.

SECTION 476. 71.07 (3w) (a) 4. of the statutes is amended to read:

71.07 **(3w)** (a) 4. "Enterprise zone" means a zone designated under s. 238.399 or s. 560.799, 2009 stats.

SECTION 477. 71.07 (3w) (a) 5d. of the statutes is amended to read:

71.07 **(3w)** (a) 5d. "Tier I county or municipality" means a tier I county or municipality, as determined ~~by the department of commerce~~ under s. 238.399 or s. 560.799, 2009 stats.

SECTION 478. 71.07 (3w) (a) 5e. of the statutes is amended to read:

71.07 **(3w)** (a) 5e. "Tier II county or municipality" means a tier II county or municipality, as determined ~~by the department of commerce~~ under s. 238.399 or s. 560.799, 2009 stats.

SECTION 479. 71.07 (3w) (b) (intro.) of the statutes is amended to read:

71.07 **(3w)** (b) *Filing claims; payroll.* (intro.) Subject to the limitations provided in this subsection and s. 238.399 or s. 560.799, 2009 stats., a claimant may claim as a credit against the tax imposed under s. 71.02 or 71.08 an amount calculated as follows:

1 **SECTION 480.** 71.07 (3w) (b) 5. of the statutes is amended to read:

2 71.07 **(3w)** (b) 5. Multiply the amount determined under subd. 4. by the
3 percentage determined by ~~the department of commerce~~ under s. 238.399 or s.
4 560.799, 2009 stats., not to exceed 7 percent.

5 **SECTION 481.** 71.07 (3w) (bm) 1. of the statutes is amended to read:

6 71.07 **(3w)** (bm) 1. In addition to the credits under par. (b) and subds. 2., 3., and
7 4., and subject to the limitations provided in this subsection and s. 238.399 or s.
8 560.799, 2009 stats., a claimant may claim as a credit against the tax imposed under
9 s. 71.02 or 71.08 an amount equal to a percentage, as determined ~~by the department~~
10 ~~of commerce~~ under s. 238.399 or s. 560.799, 2009 stats., not to exceed 100 percent,
11 of the amount the claimant paid in the taxable year to upgrade or improve the
12 job-related skills of any of the claimant's full-time employees, to train any of the
13 claimant's full-time employees on the use of job-related new technologies, or to
14 provide job-related training to any full-time employee whose employment with the
15 claimant represents the employee's first full-time job. This subdivision does not
16 apply to employees who do not work in an enterprise zone.

17 **SECTION 482.** 71.07 (3w) (bm) 2. of the statutes is amended to read:

18 71.07 **(3w)** (bm) 2. In addition to the credits under par. (b) and subds. 1., 3., and
19 4., and subject to the limitations provided in this subsection and s. 238.399 or s.
20 560.799, 2009 stats., a claimant may claim as a credit against the tax imposed under
21 s. 71.02 or 71.08 an amount equal to the percentage, as determined ~~by the~~
22 ~~department of commerce~~ under s. 238.399 or s. 560.799, 2009 stats., not to exceed 7
23 percent, of the claimant's zone payroll paid in the taxable year to all of the claimant's
24 full-time employees whose annual wages are greater than $20,000 in a tier I county
25 or municipality, not including the wages paid to the employees determined under

1 par. (b) 1., or greater than $30,000 in a tier II county or municipality, not including
2 the wages paid to the employees determined under par. (b) 1., and who the claimant
3 employed in the enterprise zone in the taxable year, if the total number of such
4 employees is equal to or greater than the total number of such employees in the base
5 year. A claimant may claim a credit under this subdivision for no more than 5
6 consecutive taxable years.

7 **SECTION 483.** 71.07 (3w) (bm) 3. of the statutes is amended to read:

8 71.07 **(3w)** (bm) 3. In addition to the credits under par. (b) and subds. 1., 2., and
9 4., and subject to the limitations provided in this subsection and s. 238.399 or s.
10 560.799, 2009 stats., for taxable years beginning after December 31, 2008, a claimant
11 may claim as a credit against the tax imposed under s. 71.02 or 71.08 up to 10 percent
12 of the claimant's significant capital expenditures, as determined ~~by the department~~
13 ~~of commerce~~ under s. 238.399 (5m) or s. 560.799 (5m), 2009 stats.

14 **SECTION 484.** 71.07 (3w) (bm) 4. of the statutes is amended to read:

15 71.07 **(3w)** (bm) 4. In addition to the credits under par. (b) and subds. 1., 2., and
16 3., and subject to the limitations provided in this subsection and s. 238.399 or s.
17 560.799, 2009 stats., for taxable years beginning after December 31, 2009, a claimant
18 may claim as a credit against the tax imposed under s. 71.02 or 71.08, up to 1 percent
19 of the amount that the claimant paid in the taxable year to purchase tangible
20 personal property, items, property, or goods under s. 77.52 (1) (b), (c), or (d), or
21 services from Wisconsin vendors, as determined ~~by the department of commerce~~
22 under s. 238.399 (5) (e) or s. 560.799 (5) (e), 2009 stats., except that the claimant may
23 not claim the credit under this subdivision and subd. 3. for the same expenditures.

24 **SECTION 485.** 71.07 (3w) (c) 3. of the statutes is amended to read:

1 71.07 **(3w)** (c) 3. No credit may be allowed under this subsection unless the
2 claimant includes with the claimant's return a copy of the claimant's certification for
3 tax benefits under s. 238.399 (5) or (5m) or s. 560.799 (5) or (5m), 2009 stats.
4 **SECTION 486.** 71.07 (3w) (d) of the statutes is amended to read:
5 71.07 **(3w)** (d) *Administration.* Section 71.28 (4) (g) and (h), as it applies to the
6 credit under s. 71.28 (4), applies to the credit under this subsection. Claimants shall
7 include with their returns a copy of their certification for tax benefits, and a copy of
8 the verification of their expenses, from the department of commerce or the Wisconsin
9 Economic Development Corporation.
10 **SECTION 487.** 71.07 (5b) (a) 2. of the statutes is amended to read:
11 71.07 **(5b)** (a) 2. "Fund manager" means an investment fund manager certified
12 under s. 238.15 (2) or s. 560.205 (2), 2009 stats.
13 **SECTION 488.** 71.07 (5b) (b) 1. of the statutes is amended to read:
14 71.07 **(5b)** (b) 1. For taxable years beginning after December 31, 2004, subject
15 to the limitations provided under this subsection and s. 238.15 or s. 560.205, 2009
16 stats., and except as provided in subd. 2., a claimant may claim as a credit against
17 the tax imposed under ss. 71.02 and 71.08, up to the amount of those taxes, 25 percent
18 of the claimant's investment paid to a fund manager that the fund manager invests
19 in a business certified under s. 238.15 (1) or s. 560.205 (1), 2009 stats.
20 **SECTION 489.** 71.07 (5b) (b) 2. of the statutes is amended to read:
21 71.07 **(5b)** (b) 2. In the case of a partnership, limited liability company, or
22 tax-option corporation, the computation of the 25 percent limitation under subd. 1.
23 shall be determined at the entity level rather than the claimant level and may be
24 allocated among the claimants who make investments in the manner set forth in the
25 entity's organizational documents. The entity shall provide to the department of

1 revenue and to the department of commerce or the Wisconsin Economic
2 Development Corporation the names and tax identification numbers of the
3 claimants, the amounts of the credits allocated to the claimants, and the
4 computation of the allocations.

5 **SECTION 490.** 71.07 (5d) (a) 1. (intro.) of the statutes is amended to read:

6 71.07 **(5d)** (a) 1. (intro.) "Bona fide angel investment" means a purchase of an
7 equity interest, or any other expenditure, as determined by rule under s. 238.15 or
8 s. 560.205, 2009 stats., that is made by any of the following:

9 **SECTION 491.** 71.07 (5d) (a) 3. of the statutes is amended to read:

10 71.07 **(5d)** (a) 3. "Qualified new business venture" means a business that is
11 certified under s. 238.15 (1) or s. 560.205 (1), 2009 stats.

12 **SECTION 492.** 71.07 (5d) (b) (intro.) of the statutes is amended to read:

13 71.07 **(5d)** (b) *Filing claims.* (intro.) Subject to the limitations provided in this
14 subsection and in s. 238.15 or s. 560.205, 2009 stats., a claimant may claim as a credit
15 against the tax imposed under s. 71.02 or 71.08, up to the amount of those taxes, the
16 following:

17 **SECTION 493.** 71.07 (5d) (b) 1. of the statutes is amended to read:

18 71.07 **(5d)** (b) 1. For taxable years beginning before January 1, 2008, in each
19 taxable year for 2 consecutive years, beginning with the taxable year as certified by
20 the department of commerce or the Wisconsin Economic Development Corporation,
21 an amount equal to 12.5 percent of the claimant's bona fide angel investment made
22 directly in a qualified new business venture.

23 **SECTION 494.** 71.07 (5d) (b) 2. of the statutes is amended to read:

24 71.07 **(5d)** (b) 2. For taxable years beginning after December 31, 2007, for the
25 taxable year certified by the department of commerce or the Wisconsin Economic

1 Development Corporation, an amount equal to 25 percent of the claimant's bona fide
2 angel investment made directly in a qualified new business venture.

3 **SECTION 495.** 71.07 (5d) (c) 2. of the statutes is amended to read:

4 71.07 **(5d)** (c) 2. For taxable years beginning before January 1, 2008, the
5 maximum amount of a claimant's investment that may be used as the basis for a
6 credit under this subsection is $2,000,000 for each investment made directly in a
7 business certified under s. 238.15 (1) or s. 560.205 (1), 2009 stats.

8 **SECTION 496.** 71.07 (5f) (a) 1. (intro.) of the statutes is amended to read:

9 71.07 **(5f)** (a) 1. "Accredited production" means a film, video, broadcast
10 advertisement, or television production, as approved by the department of commerce
11 or the department of tourism, for which the aggregate salary and wages included in
12 the cost of the production for the period ending 12 months after the month in which
13 the principal filming or taping of the production begins exceeds $50,000. "Accredited
14 production" also means an electronic game, as approved by the department of
15 commerce or the department of tourism, for which the aggregate salary and wages
16 included in the cost of the production for the period ending 36 months after the month
17 in which the principal programming, filming, or taping of the production begins
18 exceeds $100,000. "Accredited production" does not include any of the following,
19 regardless of the production costs:

20 **SECTION 497.** 71.07 (5f) (a) 3. of the statutes is amended to read:

21 71.07 **(5f)** (a) 3. "Production expenditures" means any expenditures that are
22 incurred in this state and directly used to produce an accredited production,
23 including expenditures for set construction and operation, wardrobes, make-up,
24 clothing accessories, photography, sound recording, sound synchronization, sound
25 mixing, lighting, editing, film processing, film transferring, special effects, visual

1 effects, renting or leasing facilities or equipment, renting or leasing motor vehicles,
2 food, lodging, and any other similar expenditure as determined by the department
3 of commerce or the department of tourism. "Production expenditures" do not include
4 salary, wages, or labor-related contract payments.

5 **SECTION 498.** 71.07 (5f) (c) 6. of the statutes is amended to read:

6 71.07 **(5f)** (c) 6. No credit may be allowed under this subsection unless the
7 claimant files an application with the department of commerce or the department of
8 tourism, at the time and in the manner prescribed by the department of commerce
9 or the department of tourism, and the department of commerce or the department
10 of tourism approves the application. The claimant shall submit a fee with the
11 application in an amount equal to 2 percent of the claimant's budgeted production
12 expenditures or to $5,000, whichever is less. The claimant shall submit a copy of the
13 approved application with the claimant's return.

14 **SECTION 499.** 71.07 (5h) (c) 4. of the statutes is amended to read:

15 71.07 **(5h)** (c) 4. No claim may be allowed under this subsection unless the
16 department of commerce or the department of tourism certifies, in writing, that the
17 credits claimed under this subsection are for expenses related to establishing or
18 operating a film production company in this state and the claimant submits a copy
19 of the certification with the claimant's return.

20 **SECTION 500.** 71.07 (5i) (c) 1. of the statutes is amended to read:

21 71.07 **(5i)** (c) 1. The maximum amount of the credits that may be claimed under
22 this subsection and ss. 71.28 (5i) and 71.47 (5i) in a taxable year is $10,000,000, as
23 allocated under s. 238.14 or s. 560.204, 2009 stats.

24 **SECTION 501.** 71.07 (5j) (a) 2d. of the statutes is amended to read:

71.07 **(5j)** (a) 2d. "Diesel replacement renewable fuel" includes biodiesel and any other fuel derived from a renewable resource that meets all of the applicable requirements of the American Society for Testing and Materials for that fuel and that the department of commerce or the department of safety and professional services designates by rule as a diesel replacement renewable fuel.

SECTION 502. 71.07 (5j) (a) 2m. of the statutes is amended to read:

71.07 **(5j)** (a) 2m. "Gasoline replacement renewable fuel" includes ethanol and any other fuel derived from a renewable resource that meets all of the applicable requirements of the American Society for Testing and Materials for that fuel and that the department of commerce or the department of safety and professional services designates by rule as a gasoline replacement renewable fuel.

SECTION 503. 71.07 (5j) (c) 3. of the statutes is amended to read:

71.07 **(5j)** (c) 3. The department of commerce or the department of safety and professional services shall establish standards to adequately prevent, in the distribution of conventional fuel to an end user, the inadvertent distribution of fuel containing a higher percentage of renewable fuel than the maximum percentage established by the federal environmental protection agency for use in conventionally-fueled engines.

SECTION 504. 71.28 (1dd) (b) of the statutes is amended to read:

71.28 **(1dd)** (b) Except as provided in s. 73.03 (35), for any taxable year for which that person is certified under s. 560.765 (3), 2009 stats., and begins business operations in a zone under s. 560.71, 2009 stats., after July 29, 1995, entitled under s. 560.795 (3) (a), 2009 stats., and begins business operations in a zone under s. 560.795, 2009 stats., after July 29, 1995, or certified under s. 560.797 (4) (a), 2009 stats., for each zone for which the person is certified or entitled a person may credit

against taxes otherwise due under this subchapter employment-related day care expenses, up to $1,200 for each qualifying individual.

SECTION 505. 71.28 (1dd) (e) of the statutes is amended to read:

71.28 **(1dd)** (e) The credit under this subsection, as it applies to a person certified under s. 560.765 (3), 2009 stats., applies to a corporation that conducts economic activity in a zone under s. 560.795 (1), 2009 stats., and that is entitled to tax benefits under s. 560.795 (3), 2009 stats., subject to the limits under s. 560.795 (2), 2009 stats. A credit under this subsection may be credited using expenses incurred by a claimant on July 29, 1995.

SECTION 506. 71.28 (1de) (a) (intro.) of the statutes is amended to read:

71.28 **(1de)** (a) (intro.) Except as provided in s. 73.03 (35), for any taxable year for which a person is certified under s. 560.765 (3), 2009 stats., and begins business operations in a zone under s. 560.71, 2009 stats., after July 29, 1995, entitled under s. 560.795 (3) (a), 2009 stats., and begins business operations in a zone under s. 560.795, 2009 stats., after July 29, 1995, or certified under s. 560.797 (4) (a), 2009 stats., for each zone for which the person is certified or entitled the person may claim as a credit against taxes otherwise due under this subchapter an amount equal to 7.5% of the amount that the person expends to remove or contain environmental pollution, as defined in s. 299.01 (4), in the zone or to restore soil or groundwater that is affected by environmental pollution, as defined in s. 299.01 (4), in the zone if the person fulfills all of the following requirements:

SECTION 507. 71.28 (1de) (a) 1. of the statutes is amended to read:

71.28 **(1de)** (a) 1. Begins the work, other than planning and investigating, for which the credit is claimed after the area that includes the site where the work is done is designated a development zone under s. 560.71, 2009 stats., a development

1 opportunity zone under s. 560.795, 2009 stats., or an enterprise development zone
2 under s. 560.797, 2009 stats., and after the claimant is certified under s. 560.765 (3),
3 2009 stats., entitled under s. 560.795 (3) (a), 2009 stats., or certified under s. 560.797
4 (4) (a), 2009 stats.

5 **SECTION 508.** 71.28 (1de) (d) of the statutes is amended to read:

6 71.28 **(1de)** (d) The credit under this subsection, as it applies to a person
7 certified under s. 560.765 (3), 2009 stats., applies to a corporation that conducts
8 economic activity in a zone under s. 560.795 (1), 2009 stats., and that is entitled to
9 tax benefits under s. 560.795 (3), 2009 stats., subject to the limits under s. 560.795
10 (2), 2009 stats. A credit under this subsection may be credited using expenses
11 incurred by a claimant on July 29, 1995.

12 **SECTION 509.** 71.28 (1di) (a) (intro.) of the statutes is amended to read:

13 71.28 **(1di)** (a) (intro.) Except as provided in pars. (dm) and (f) and s. 73.03 (35),
14 for any taxable year for which the person is entitled under s. 560.795 (3), 2009 stats.,
15 to claim tax benefits, any person may claim as a credit against taxes otherwise due
16 under this chapter 2.5% of the purchase price of depreciable, tangible personal
17 property, or 1.75% of the purchase price of depreciable, tangible personal property
18 that is expensed under section 179 of the internal revenue code for purposes of the
19 taxes under this chapter, except that:

20 **SECTION 510.** 71.28 (1di) (a) 1. of the statutes is amended to read:

21 71.28 **(1di)** (a) 1. The investment must be in property that is purchased after
22 the person is entitled under s. 560.795 (3), 2009 stats., to claim tax benefits and that
23 is used for at least 50% of its use in the conduct of the person's business operations
24 at a location in a development zone under subch. VI of ch. 560, 2009 stats., or, if the

1 property is mobile, the base of operations of the property for at least 50% of its use
2 must be a location in a development zone.

3 **SECTION 511.** 71.28 (1di) (b) 2. of the statutes is amended to read:

4 71.28 **(1di)** (b) 2. If the claimant is located on an Indian reservation, as defined
5 in s. 560.86 (5), 2009 stats., and is an American Indian, as defined in s. 560.86 (1),
6 2009 stats., an Indian business, as defined in s. 560.86 (4), 2009 stats., or a tribal
7 enterprise, as defined in s. 71.07 (2di) (b) 2., and if the allowable amount of the credit
8 under this subsection exceeds the taxes otherwise due under this chapter on or
9 measured by the claimant's income, the amount of the credit not used as an offset
10 against those taxes shall be certified to the department of administration for
11 payment to the claimant by check, share draft or other draft.

12 **SECTION 512.** 71.28 (1di) (b) 3. of the statutes is amended to read:

13 71.28 **(1di)** (b) 3. Partnerships, limited liability companies and tax-option
14 corporations may not claim the credit under this subsection, but the eligibility for,
15 and amount of, that credit shall be determined on the basis of their economic activity,
16 not that of their shareholders, partners or members. The corporation, partnership
17 or limited liability company shall compute the amount of the credit that may be
18 claimed by each of its shareholders, partners or members and shall provide that
19 information to each of its shareholders, partners or members. Partners, members
20 of limited liability companies and shareholders of tax-option corporations may claim
21 the credit based on the partnership's, company's or corporation's activities in
22 proportion to their ownership interest and may offset it against the tax attributable
23 to their income from the partnership's, company's or corporation's business
24 operations in the development zone; except that partners, members, and
25 shareholders in a development zone under s. 560.795 (1) (e), 2009 stats., may offset

1 the credit against the amount of the tax attributable to their income from all of the
2 partnership's, company's, or corporation's business operations; and against the tax
3 attributable to their income from the partnership's, company's or corporation's
4 directly related business operations.

5 **SECTION 513.** 71.28 (1di) (d) 1. of the statutes is amended to read:

6 71.28 **(1di)** (d) 1. A copy of a verification from the department of commerce that
7 the claimant may claim tax benefits under s. 560.795 (3), 2009 stats.

8 **SECTION 514.** 71.28 (1di) (f) of the statutes is amended to read:

9 71.28 **(1di)** (f) If a person who is entitled under s. 560.795 (3), 2009 stats., to
10 claim tax benefits becomes ineligible for such tax benefits, that person may claim no
11 credits under this subsection for the taxable year that includes the day on which the
12 person becomes ineligible for tax benefits or succeeding taxable years and that
13 person may carry over no unused credits from previous years to offset tax under this
14 chapter for the taxable year that includes the day on which the person becomes
15 ineligible for tax benefits or succeeding taxable years.

16 **SECTION 515.** 71.28 (1di) (g) of the statutes is amended to read:

17 71.28 **(1di)** (g) If a person who is entitled under s. 560.795 (3), 2009 stats., to
18 claim tax benefits ceases business operations in the development zone during any of
19 the taxable years that that zone exists, that person may not carry over to any taxable
20 year following the year during which operations cease any unused credits from the
21 taxable year during which operations cease or from previous taxable years.

22 **SECTION 516.** 71.28 (1di) (i) of the statutes is amended to read:

23 71.28 **(1di)** (i) The development zones credit under this subsection, as it applies
24 to a person certified under s. 560.765 (3), 2009 stats., applies to a corporation that
25 conducts economic activity in a development opportunity zone under s. 560.795 (1),

1 2009 stats., and that is entitled to tax benefits under s. 560.795 (3), 2009 stats.,
2 subject to the limits under s. 560.795 (2), 2009 stats. A development opportunity
3 zone credit under this paragraph may be calculated using expenses incurred by a
4 claimant beginning on the effective date under s. 560.795 (2) (a), 2009 stats., of the
5 development opportunity zone designation of the area in which the claimant
6 conducts economic activity.

7 **SECTION 517.** 71.28 (1dj) (am) (intro.) of the statutes is amended to read:

8 71.28 **(1dj)** (am) (intro.) Except as provided under par. (f) or s. 73.03 (35), for
9 any taxable year for which the person is certified under s. 560.765 (3), 2009 stats.,
10 for tax benefits, any person may claim as a credit against taxes otherwise due under
11 this chapter an amount calculated as follows:

12 **SECTION 518.** 71.28 (1dj) (am) 4. a. of the statutes is amended to read:

13 71.28 **(1dj)** (am) 4. a. If certified under s. 560.765 (3), 2009 stats., for tax
14 benefits before January 1, 1992, modify "qualified wages" as defined in section 51 (b)
15 of the internal revenue code to exclude wages paid before the claimant is certified for
16 tax benefits and to exclude wages that are paid to employees for work at any location
17 that is not in a development zone under subch. VI of ch. 560, 2009 stats. For purposes
18 of this subd. 4. a., mobile employees work at their base of operations and leased or
19 rented employees work at the location where they perform services.

20 **SECTION 519.** 71.28 (1dj) (am) 4. b. of the statutes is amended to read:

21 71.28 **(1dj)** (am) 4. b. If certified under s. 560.765 (3), 2009 stats., for tax
22 benefits after December 31, 1991, modify "qualified wages" as defined in section 51
23 (b) of the internal revenue code to exclude wages paid before the claimant is certified
24 for tax benefits and to exclude wages that are paid to employees for work at any
25 location that is not in a development zone under subch. VI of ch. 560, 2009 stats. For

1 purposes of this subd. 4. b., mobile employees and leased or rented employees work
2 at their base of operations.

3 **SECTION 520.** 71.28 (1dj) (am) 4c. of the statutes is amended to read:

4 71.28 **(1dj)** (am) 4c. Modify the rule for ineligible individuals under section 51
5 (i) (1) of the internal revenue code to allow credit for the wages of related individuals
6 paid by an Indian business, as defined in s. 560.86 (4), 2009 stats., or a tribal
7 enterprise, as defined in s. 71.07 (2di) (b) 2., if the Indian business or tribal enterprise
8 is located in a development zone designated under s. 560.71 (3) (c) 2., 2009 stats.

9 **SECTION 521.** 71.28 (1dj) (am) 4t. of the statutes is amended to read:

10 71.28 **(1dj)** (am) 4t. If certified under s. 560.765 (3), 2009 stats., for tax benefits
11 before January 1, 1992, modify section 51 (i) (3) of the internal revenue code so that
12 for leased or rented employees, except employees of a leasing agency certified for tax
13 benefits who perform services directly for the agency in a development zone, the
14 minimum employment periods apply to the time that they perform services in a
15 development zone for a single lessee or renter, not to their employment by the leasing
16 agency.

17 **SECTION 522.** 71.28 (1dj) (e) 1. of the statutes is amended to read:

18 71.28 **(1dj)** (e) 1. A copy of the claimant's certification for tax benefits under s.
19 560.765 (3), 2009 stats.

20 **SECTION 523.** 71.28 (1dj) (e) 3. a. of the statutes is amended to read:

21 71.28 **(1dj)** (e) 3. a. If certified under s. 560.765 (3), 2009 stats., for tax benefits
22 before January 1, 1992, a statement from the department of commerce verifying the
23 amount of qualifying wages and verifying that the employees were hired for work
24 only in a development zone or are mobile employees whose base of operations is in
25 a development zone.

1 **SECTION 524.** 71.28 (1dj) (e) 3. b. of the statutes is amended to read:

2 71.28 **(1dj)** (e) 3. b. If certified under s. 560.765 (3), 2009 stats., for tax benefits
3 after December 31, 1991, a statement from the department of commerce verifying the
4 amount of qualifying wages and verifying that the employees were hired for work
5 only in a development zone or are mobile employees or leased or rented employees
6 whose base of operations is in a development zone.

7 **SECTION 525.** 71.28 (1dj) (i) of the statutes is amended to read:

8 71.28 **(1dj)** (i) The development zones credit under this subsection, as it applies
9 to a person certified under s. 560.765 (3), 2009 stats., applies to a corporation that
10 conducts economic activity in a development opportunity zone under s. 560.795 (1),
11 2009 stats., and that is entitled to tax benefits under s. 560.795 (3), 2009 stats.,
12 subject to the limits under s. 560.795 (2), 2009 stats. A development opportunity
13 zone credit under this paragraph may be calculated using expenses incurred by a
14 claimant beginning on the effective date under s. 560.795 (2) (a), 2009 stats., of the
15 development opportunity zone designation of the area in which the claimant
16 conducts economic activity.

17 **SECTION 526.** 71.28 (1dL) (a) of the statutes is amended to read:

18 71.28 **(1dL)** (a) Except as provided in pars. (ag), (ar), (bm) and (f) and s. 73.03
19 (35), for any taxable year for which the person is certified under s. 560.765 (3), 2009
20 stats., for tax benefits, any person may claim as a credit against taxes otherwise due
21 under this subchapter an amount equal to 2.5% of the amount expended by that
22 person to acquire, construct, rehabilitate or repair real property in a development
23 zone under subch. VI of ch. 560, 2009 stats.

24 **SECTION 527.** 71.28 (1dL) (ag) of the statutes is amended to read:

1 71.28 **(1dL)** (ag) If the credit under par. (a) is claimed for an amount expended
2 to construct, rehabilitate, remodel or repair property, the claimant must have begun
3 the physical work of construction, rehabilitation, remodeling or repair, or any
4 demolition or destruction in preparation for the physical work, after the place where
5 the property is located was designated a development zone under s. 560.71, 2009
6 stats., and the completed project must be placed in service after the claimant is
7 certified for tax benefits under s. 560.765 (3), 2009 stats. In this paragraph, "physical
8 work" does not include preliminary activities such as planning, designing, securing
9 financing, researching, developing specifications or stabilizing the property to
10 prevent deterioration.

11 **SECTION 528.** 71.28 (1dL) (ar) of the statutes is amended to read:

12 71.28 **(1dL)** (ar) If the credit under par. (a) is claimed for an amount expended
13 to acquire property, the property must have been acquired by the claimant after the
14 place where the property is located was designated a development zone under s.
15 560.71, 2009 stats., and the completed project must be placed in service after the
16 claimant is certified for tax benefits under s. 560.765 (3), 2009 stats., and the
17 property must not have been previously owned by the claimant or a related person
18 during the 2 years prior to the designation of the development zone under s. 560.71,
19 2009 stats. No credit is allowed for an amount expended to acquire property until
20 the property, either in its original state as acquired by the claimant or as
21 subsequently constructed, rehabilitated, remodeled or repaired, is placed in service.

22 **SECTION 529.** 71.28 (1dL) (bm) of the statutes is amended to read:

23 71.28 **(1dL)** (bm) In calculating the credit under par. (a) a claimant shall reduce
24 the amount expended to acquire property by a percentage equal to the percentage of
25 the area of the real property not used for the purposes for which the claimant is

1 certified to claim tax benefits under s. 560.765 (3), 2009 stats., and shall reduce the
2 amount expended for other purposes by the amount expended on the part of the
3 property not used for the purposes for which the claimant is certified to claim tax
4 benefits under s. 560.765 (3), 2009 stats.

5 **SECTION 530.** 71.28 (1dL) (c) of the statutes is amended to read:

6 71.28 **(1dL)** (c) If the claimant is located on an Indian reservation, as defined
7 in s. 560.86 (5), 2009 stats., and is an American Indian, as defined in s. 560.86 (1),
8 2009 stats., an Indian business, as defined in s. 560.86 (4), 2009 stats., or a tribal
9 enterprise, as defined in s. 71.07 (2di) (b) 2., and if the allowable amount of the credit
10 under par. (a) exceeds the taxes otherwise due under this chapter on or measured by
11 the claimant's income, the amount of the credit not used as an offset against those
12 taxes shall be certified to the department of administration for payment to the
13 claimant by check, share draft or other draft.

14 **SECTION 531.** 71.28 (1dL) (i) of the statutes is amended to read:

15 71.28 **(1dL)** (i) The development zones credit under this subsection, as it
16 applies to a person certified under s. 560.765 (3), 2009 stats., applies to a corporation
17 that conducts economic activity in a development opportunity zone under s. 560.795
18 (1), 2009 stats., and that is entitled to tax benefits under s. 560.795 (3), 2009 stats.,
19 subject to the limits under s. 560.795 (2), 2009 stats. A development opportunity
20 zone credit under this paragraph may be calculated using expenses incurred by a
21 claimant beginning on the effective date under s. 560.795 (2) (a), 2009 stats., of the
22 development opportunity zone designation of the area in which the claimant
23 conducts economic activity.

24 **SECTION 532.** 71.28 (1dm) (a) 1. of the statutes is amended to read:

71.28 **(1dm)** (a) 1. "Certified" means entitled under s. 238.395 (3) (a) 4. or s. 560.795 (3) (a) 4., 2009 stats., to claim tax benefits or certified under s. 238.395 (5), 238.398 (3), or 238.3995 (4) or s. 560.795 (5), 2009 stats., s. 560.798 (3), 2009 stats., s. or 560.7995 (4), 2009 stats.

SECTION 533. 71.28 (1dm) (a) 3. of the statutes is amended to read:

71.28 **(1dm)** (a) 3. "Development zone" means a development opportunity zone under s. 238.395 (1) (e) and (f) or 238.398 or s. 560.795 (1) (e) and (f), 2009 stats., or s. 560.798, 2009 stats., or an airport development zone under s. 238.3995 or s. 560.7995, 2009 stats.

SECTION 534. 71.28 (1dm) (a) 4. of the statutes is amended to read:

71.28 **(1dm)** (a) 4. "Previously owned property" means real property that the claimant or a related person owned during the 2 years prior to the department of commerce or the Wisconsin Economic Development Corporation designating the place where the property is located as a development zone and for which the claimant may not deduct a loss from the sale of the property to, or an exchange of the property with, the related person under section 267 of the Internal Revenue Code, except that section 267 (b) of the Internal Revenue Code is modified so that if the claimant owns any part of the property, rather than 50% ownership, the claimant is subject to section 267 (a) (1) of the Internal Revenue Code for purposes of this subsection.

SECTION 535. 71.28 (1dm) (f) 1. of the statutes is amended to read:

71.28 **(1dm)** (f) 1. A copy of ~~a~~ the verification ~~from the department of commerce~~ that the claimant may claim tax benefits under s. 238.395 (3) (a) 4. or s. 560.795 (3) (a) 4., 2009 stats., or is certified under s. 238.395 (5), 238.398 (3), or 238.3995 (4) or s. 560.795 (5), 2009 stats., s. 560.798 (3), 2009 stats., or s. 560.7995 (4), 2009 stats.

SECTION 536. 71.28 (1dm) (f) 2. of the statutes is amended to read:

1 71.28 **(1dm)** (f) 2. A statement from the department of commerce or the
2 Wisconsin Economic Development Corporation verifying the purchase price of the
3 investment and verifying that the investment fulfills the requirements under par.
4 (b).

5 **SECTION 537.** 71.28 (1dm) (i) of the statutes is amended to read:

6 71.28 **(1dm)** (i) Partnerships, limited liability companies, and tax-option
7 corporations may not claim the credit under this subsection, but the eligibility for,
8 and the amount of, that credit shall be determined on the basis of their economic
9 activity, not that of their shareholders, partners, or members. The corporation,
10 partnership, or limited liability company shall compute the amount of credit that
11 may be claimed by each of its shareholders, partners, or members and provide that
12 information to its shareholders, partners, or members. Partners, members of limited
13 liability companies, and shareholders of tax-option corporations may claim the
14 credit based on the partnership's, company's, or corporation's activities in proportion
15 to their ownership interest and may offset it against the tax attributable to their
16 income from the partnership's, company's, or corporation's business operations in the
17 development zone; except that partners, members, and shareholders in a
18 development zone under s. 238.395 (1) (e) or s. 560.795 (1) (e), 2009 stats., may offset
19 the credit against the amount of the tax attributable to their income.

20 **SECTION 538.** 71.28 (1dm) (j) of the statutes is amended to read:

21 71.28 **(1dm)** (j) If a person who is entitled under s. 238.395 (3) (a) 4. or s. 560.795
22 (3) (a) 4., 2009 stats., to claim tax benefits becomes ineligible for such tax benefits,
23 or if a person's certification under s. 238.395 (5), 238.398 (3), or 238.3995 (4) or s.
24 560.795 (5), 2009 stats., s. 560.798 (3), 2009 stats., or s. 560.7995 (4), 2009 stats., is
25 revoked, that person may claim no credits under this subsection for the taxable year

that includes the day on which the person becomes ineligible for tax benefits, the taxable year that includes the day on which the certification is revoked, or succeeding taxable years, and that person may carry over no unused credits from previous years to offset tax under this chapter for the taxable year that includes the day on which the person becomes ineligible for tax benefits, the taxable year that includes the day on which the certification is revoked, or succeeding taxable years.

SECTION 539. 71.28 (1dm) (k) of the statutes is amended to read:

71.28 **(1dm)** (k) If a person who is entitled under s. 238.395 (3) (a) 4. or s. 560.795 (3) (a) 4., 2009 stats., to claim tax benefits or certified under s. 238.395 (5), 239.398 (3), or 238.3995 (4) or s. 560.795 (5), 2009 stats., s. 560.798 (3), 2009 stats., or s. 560.7995 (4), 2009 stats., ceases business operations in the development zone during any of the taxable years that that zone exists, that person may not carry over to any taxable year following the year during which operations cease any unused credits from the taxable year during which operations cease or from previous taxable years.

SECTION 540. 71.28 (1ds) (a) 1. of the statutes is amended to read:

71.28 **(1ds)** (a) 1. "Development zone" means a zone designated under s. 560.71, 2009 stats.

SECTION 541. 71.28 (1ds) (b) of the statutes is amended to read:

71.28 **(1ds)** (b) Except as provided in pars. (dm) and (e) and s. 73.03 (35), for any taxable year for which the person is certified under s. 560.765 (3), 2009 stats., for tax benefits, any person may claim as a credit against taxes otherwise due under this chapter the taxes paid under subchs. III and V of ch. 77 on their purchases, leases and rentals of eligible property. Partnerships, limited liability companies and tax-option corporations may not claim the credit under this subsection, but the

1 eligibility for, and the amount of, that credit shall be determined on the basis of their
2 economic activity, not that of their partners, members or shareholders. The
3 partnership, limited liability company or corporation shall compute the amount of
4 credit that may be claimed by each of its partners, members or shareholders and
5 shall provide that information to its partners, members or shareholders. Partners,
6 members of limited liability companies and shareholders of tax-option corporations
7 may claim the credit based on the partnership's, company's or corporation's activities
8 in proportion to their ownership interest.

9 **SECTION 542.** 71.28 (1ds) (d) 1. of the statutes is amended to read:

10 71.28 **(1ds)** (d) 1. A copy of the claimant's certification for tax benefits under
11 s. 560.765 (3), 2009 stats.

12 **SECTION 543.** 71.28 (1ds) (i) of the statutes is amended to read:

13 71.28 **(1ds)** (i) The development zones credit under this subsection, as it applies
14 to a person certified under s. 560.765 (3), 2009 stats., applies to a corporation that
15 conducts economic activity in a development opportunity zone under s. 560.795 (1),
16 2009 stats., and that is entitled to tax benefits under s. 560.795 (3), 2009 stats.,
17 subject to the limits under s. 560.795 (2), 2009 stats. A development opportunity
18 zone credit under this paragraph may be calculated using expenses incurred by a
19 claimant beginning on the effective date under s. 560.795 (2) (a), 2009 stats., of the
20 development opportunity zone designation of the area in which the claimant
21 conducts economic activity.

22 **SECTION 544.** 71.28 (1dx) (a) 2. of the statutes is amended to read:

23 71.28 **(1dx)** (a) 2. "Development zone" means a development zone under s.
24 238.30 or s. 560.70, 2009 stats., a development opportunity zone under s. 238.395 or
25 s. 560.795, 2009 stats., an enterprise development zone under s. 238.397 or s.

560.797, 2009 stats., an agricultural development zone under s. 238.398 or s. 560.798, 2009 stats., or an airport development zone under s. 238.3995 or s. 560.7995, 2009 stats.

SECTION 545. 71.28 (1dx) (b) (intro.) of the statutes is amended to read:

71.28 **(1dx)** (b) *Credit.* (intro.) Except as provided in pars. (be) and (bg) and in s. 73.03 (35), and subject to s. 238.385 or s. 560.785, 2009 stats., for any taxable year for which the person is entitled under s. 238.395 (3) or s. 560.795 (3), 2009 stats., to claim tax benefits or certified under s. 238.365 (3), 238.397 (4), 238.398 (3), or 238.3995 (4) or s. 560.765 (3), 2009 stats., s. 560.797 (4), 2009 stats., s. 560.798 (3), 2009 stats., or s. 560.7995 (4), 2009 stats., any person may claim as a credit against the taxes otherwise due under this chapter the following amounts:

SECTION 546. 71.28 (1dx) (b) 2. of the statutes is amended to read:

71.28 **(1dx)** (b) 2. The amount determined by multiplying the amount determined under s. 238.385 (1) (b) or s. 560.785 (1) (b), 2009 stats., by the number of full-time jobs created in a development zone and filled by a member of a targeted group and by then subtracting the subsidies paid under s. 49.147 (3) (a) or the subsidies and reimbursements paid under s. 49.147 (3m) (c) for those jobs.

SECTION 547. 71.28 (1dx) (b) 3. of the statutes is amended to read:

71.28 **(1dx)** (b) 3. The amount determined by multiplying the amount determined under s. 238.385 (1) (c) or s. 560.785 (1) (c), 2009 stats., by the number of full-time jobs created in a development zone and not filled by a member of a targeted group and by then subtracting the subsidies paid under s. 49.147 (3) (a) or the subsidies and reimbursements paid under s. 49.147 (3m) (c) for those jobs.

SECTION 548. 71.28 (1dx) (b) 4. of the statutes is amended to read:

1 71.28 **(1dx)** (b) 4. The amount determined by multiplying the amount
2 determined under s. 238.385 (1) (bm) or s. 560.785 (1) (bm), 2009 stats., by the
3 number of full-time jobs retained, as provided in the rules under s. 238.385 or s.
4 560.785, 2009 stats., excluding jobs for which a credit has been claimed under sub.
5 (1dj), in an enterprise development zone under s. 238.397 or s. 560.797, 2009 stats.,
6 and for which significant capital investment was made and by then subtracting the
7 subsidies paid under s. 49.147 (3) (a) or the subsidies and reimbursements paid
8 under s. 49.147 (3m) (c) for those jobs.

9 **SECTION 549.** 71.28 (1dx) (b) 5. of the statutes is amended to read:

10 71.28 **(1dx)** (b) 5. The amount determined by multiplying the amount
11 determined under s. 238.385 (1) (c) or s. 560.785 (1) (c), 2009 stats., by the number
12 of full-time jobs retained, as provided in the rules under s. 238.385 or s. 560.785,
13 2009 stats., excluding jobs for which a credit has been claimed under sub. (1dj), in
14 a development zone and not filled by a member of a targeted group and by then
15 subtracting the subsidies paid under s. 49.147 (3) (a) or the subsidies and
16 reimbursements paid under s. 49.147 (3m) (c) for those jobs.

17 **SECTION 550.** 71.28 (1dx) (be) of the statutes is amended to read:

18 71.28 **(1dx)** (be) *Offset.* A claimant in a development zone under s. 238.395
19 (1) (e) or s. 560.795 (1) (e), 2009 stats., may offset any credits claimed under this
20 subsection, including any credits carried over, against the amount of the tax
21 otherwise due under this subchapter attributable to all of the claimant's income and
22 against the tax attributable to income from directly related business operations of
23 the claimant.

24 **SECTION 551.** 71.28 (1dx) (bg) of the statutes is amended to read:

1 71.28 **(1dx)** (bg) *Other entities.* For claimants in a development zone under s.
2 238.395 (1) (e) or s. 560.795 (1) (e), 2009 stats., partnerships, limited liability
3 companies, and tax-option corporations may not claim the credit under this
4 subsection, but the eligibility for, and amount of, that credit shall be determined on
5 the basis of their economic activity, not that of their shareholders, partners, or
6 members. The corporation, partnership, or company shall compute the amount of
7 the credit that may be claimed by each of its shareholders, partners, or members and
8 shall provide that information to each of its shareholders, partners, or members.
9 Partners, members of limited liability companies, and shareholders of tax-option
10 corporations may claim the credit based on the partnership's, company's, or
11 corporation's activities in proportion to their ownership interest and may offset it
12 against the tax attributable to their income.

13 **SECTION 552.** 71.28 (1dx) (c) of the statutes is amended to read:

14 71.28 **(1dx)** (c) *Credit precluded.* If the certification of a person for tax benefits
15 under s. 238.365 (3), 238.397 (4), 238.398 (3), or 238.3995 (4) or s. 560.765 (3), 2009
16 stats., s. 560.797 (4), 2009 stats., s. 560.798 (3), 2009 stats., or s. 560.7995 (4), 2009
17 stats., is revoked, or if the person becomes ineligible for tax benefits under s. 238.395
18 (3) or s. 560.795 (3), 2009 stats., that person may not claim credits under this
19 subsection for the taxable year that includes the day on which the certification is
20 revoked; the taxable year that includes the day on which the person becomes
21 ineligible for tax benefits; or succeeding taxable years and that person may not carry
22 over unused credits from previous years to offset tax under this chapter for the
23 taxable year that includes the day on which certification is revoked; the taxable year
24 that includes the day on which the person becomes ineligible for tax benefits; or
25 succeeding taxable years.

1 **SECTION 553.** 71.28 (1dx) (d) of the statutes is amended to read:

2 71.28 **(1dx)** (d) *Carry-over precluded.* If a person who is entitled under s.
3 238.395 (3) or s. 560.795 (3), 2009 stats., to claim tax benefits or certified under s.
4 238.365 (3), 238.397 (4), 238.398 (3), or 238.3995 (4) or s. 560.765 (3), 2009 stats., s.
5 560.797 (4), 2009 stats., s. 560.798 (3), 2009 stats., or s. 560.7995 (4), 2009 stats., for
6 tax benefits ceases business operations in the development zone during any of the
7 taxable years that that zone exists, that person may not carry over to any taxable
8 year following the year during which operations cease any unused credits from the
9 taxable year during which operations cease or from previous taxable years.

10 **SECTION 554.** 71.28 (1dy) (a) of the statutes is amended to read:

11 71.28 **(1dy)** (a) *Definition.* In this subsection, "claimant" means a person who
12 files a claim under this subsection and is certified under s. 238.301 (2) or s. 560.701
13 (2), 2009 stats., and authorized to claim tax benefits under s. 238.303 or s. 560.703,
14 2009 stats.

15 **SECTION 555.** 71.28 (1dy) (b) of the statutes is amended to read:

16 71.28 **(1dy)** (b) *Filing claims.* Subject to the limitations under this subsection
17 and ss. 238.301 to 238.306 or s. 560.701 to 560.706, 2009 stats., for taxable years
18 beginning after December 31, 2008, a claimant may claim as a credit against the tax
19 imposed under s. 71.23, up to the amount of the tax, the amount authorized for the
20 claimant under s. 238.303 or s. 560.703, 2009 stats.

21 **SECTION 556.** 71.28 (1dy) (c) 1. of the statutes is amended to read:

22 71.28 **(1dy)** (c) 1. No credit may be allowed under this subsection unless the
23 claimant includes with the claimant's return a copy of the claimant's certification
24 under s. 238.301 (2) or s. 560.701 (2), 2009 stats., and a copy of the claimant's notice
25 of eligibility to receive tax benefits under s. 238.303 (3) or s. 560.703 (3), 2009 stats.

1 **SECTION 557.** 71.28 (1dy) (c) 2. of the statutes is amended to read:

2 71.28 **(1dy)** (c) 2. Partnerships, limited liability companies, and tax-option
3 corporations may not claim the credit under this subsection, but the eligibility for,
4 and the amount of, the credit are based on their authorization to claim tax benefits
5 under s. 238.303 or s. 560.703, 2009 stats. A partnership, limited liability company,
6 or tax-option corporation shall compute the amount of credit that each of its
7 partners, members, or shareholders may claim and shall provide that information
8 to each of them. Partners, members of limited liability companies, and shareholders
9 of tax-option corporations may claim the credit in proportion to their ownership
10 interests.

11 **SECTION 558.** 71.28 (1dy) (d) 2. of the statutes is amended to read:

12 71.28 **(1dy)** (d) 2. If a claimant's certification is revoked under s. 238.305 or s.
13 560.705, 2009 stats., or if a claimant becomes ineligible for tax benefits under s.
14 238.302 or s. 560.702, 2009 stats., the claimant may not claim credits under this
15 subsection for the taxable year that includes the day on which the certification is
16 revoked; the taxable year that includes the day on which the claimant becomes
17 ineligible for tax benefits; or succeeding taxable years and the claimant may not
18 carry over unused credits from previous years to offset the tax imposed under s. 71.23
19 for the taxable year that includes the day on which certification is revoked; the
20 taxable year that includes the day on which the claimant becomes ineligible for tax
21 benefits; or succeeding taxable years.

22 **SECTION 559.** 71.28 (3g) (a) (intro.) of the statutes is amended to read:

23 71.28 **(3g)** (a) (intro.) Subject to the limitations under this subsection and ss.
24 73.03 (35m) and 238.23 and s. 560.96, 2009 stats., a business that is certified under
25 s. 238.23 (3) or s. 560.96 (3), 2009 stats., may claim as a credit against the taxes

imposed under s. 71.23 an amount equal to the sum of the following, as established under s. 238.23 (3) (c) or s. 560.96 (3) (c), 2009 stats.:

SECTION 560. 71.28 (3g) (b) of the statutes is amended to read:

71.28 **(3g)** (b) The department of revenue shall notify the department of commerce or the Wisconsin Economic Development Corporation of all claims under this subsection.

SECTION 561. 71.28 (3g) (e) 2. of the statutes is amended to read:

71.28 **(3g)** (e) 2. The investments that relate to the amount described under par. (a) 2. for which a claimant makes a claim under this subsection must be retained for use in the technology zone for the period during which the claimant's business is certified under s. 238.23 (3) or s. 560.96 (3), 2009 stats.

SECTION 562. 71.28 (3g) (f) 1. of the statutes is amended to read:

71.28 **(3g)** (f) 1. A copy of ~~a~~ the verification ~~from the department of commerce~~ that the claimant's business is certified under s. 238.23 (3) or s. 560.96 (3), 2009 stats., and that the business ~~and the department of commerce have~~ has entered into an agreement under s. 238.23 (3) (d) or s. 560.96 (3) (d), 2009 stats.

SECTION 563. 71.28 (3g) (f) 2. of the statutes is amended to read:

71.28 **(3g)** (f) 2. A statement from the department of commerce or the Wisconsin Economic Development Corporation verifying the purchase price of the investment described under par. (a) 2. and verifying that the investment fulfills the requirement under par. (e) 2.

SECTION 564. 71.28 (3p) (b) of the statutes is amended to read:

71.28 **(3p)** (b) *Filing claims.* Subject to the limitations provided in this subsection and s. 93.535 or s. 560.207, 2009 stats., except as provided in par. (c) 5., for taxable years beginning after December 31, 2006, and before January 1, 2015, a

claimant may claim as a credit against the taxes imposed under s. 71.23, up to the amount of the tax, an amount equal to 10 percent of the amount the claimant paid in the taxable year for dairy manufacturing modernization or expansion related to the claimant's dairy manufacturing operation.

SECTION 565. 71.28 (3p) (c) 2m. a. of the statutes is amended to read:

71.28 **(3p)** (c) 2m. a. The maximum amount of the credits that may be claimed under this subsection and ss. 71.07 (3p) and 71.47 (3p) in fiscal year 2007-08 is $600,000, as allocated under s. 560.207, 2009 stats.

SECTION 566. 71.28 (3p) (c) 2m. b. of the statutes is amended to read:

71.28 **(3p)** (c) 2m. b. The maximum amount of the credits that may be claimed by all claimants, other than members of dairy cooperatives, under this subsection and ss. 71.07 (3p) and 71.47 (3p) in fiscal year 2008-09, and in each fiscal year thereafter, is $700,000, as allocated under s. 93.535 or s. 560.207, 2009 stats.

SECTION 567. 71.28 (3p) (c) 2m. bm. of the statutes is amended to read:

71.28 **(3p)** (c) 2m. bm. The maximum amount of the credits that may be claimed by members of dairy cooperatives under this subsection and ss. 71.07 (3p) and 71.47 (3p) in fiscal year 2009-10 is $600,000, as allocated under s. 560.207, 2009 stats., and the maximum amount of the credits that may be claimed by members of dairy cooperatives under this subsection and ss. 71.07 (3p) and 71.47 (3p) in fiscal year 2010-11, and in each fiscal year thereafter, is $700,000, as allocated under s. 93.535 or s. 560.207, 2009 stats.

SECTION 568. 71.28 (3p) (c) 6. of the statutes is amended to read:

71.28 **(3p)** (c) 6. No credit may be allowed under this subsection unless the claimant submits with the claimant's return a copy of the claimant's credit certification and allocation under s. 93.535 or s. 560.207, 2009 stats.

1 **SECTION 569.** 71.28 (3q) (a) 1. of the statutes is amended to read:

2 71.28 **(3q)** (a) 1. "Claimant" means a person certified to receive tax benefits
3 under s. 238.16 (2) or s. 560.2055 (2), 2009 stats.

4 **SECTION 570.** 71.28 (3q) (a) 2. of the statutes is amended to read:

5 71.28 **(3q)** (a) 2. "Eligible employee" means, for taxable years beginning before
6 January 1, 2011, an eligible employee under s. 560.2055 (1) (b), 2009 stats., who
7 satisfies the wage requirements under s. 560.2055 (3) (a) or (b), 2009 stats., or, for
8 taxable years beginning after December 31, 2010, an eligible employee under s.
9 238.16 (1) (b).

10 **SECTION 571.** 71.28 (3q) (b) (intro.) of the statutes is amended to read:

11 71.28 **(3q)** (b) *Filing claims.* (intro.) Subject to the limitations provided in this
12 subsection and s. 238.16 or s. 560.2055, 2009 stats., for taxable years beginning after
13 December 31, 2009, a claimant may claim as a credit against the taxes imposed under
14 s. 71.23 any of the following:

15 **SECTION 572.** 71.28 (3q) (b) 1. of the statutes is amended to read:

16 71.28 **(3q)** (b) 1. The amount of wages that the claimant paid to an eligible
17 employee in the taxable year, not to exceed 10 percent of such wages, as determined
18 ~~by the department of commerce~~ under s. 238.16 or s. 560.2055, 2009 stats.

19 **SECTION 573.** 71.28 (3q) (b) 2. of the statutes is amended to read:

20 71.28 **(3q)** (b) 2. The amount of the costs incurred by the claimant in the taxable
21 year, as determined under s. 238.16 or s. 560.2055, 2009 stats., to undertake the
22 training activities described under s. 238.16 (3) (c) or s. 560.2055 (3) (c), 2009 stats.

23 **SECTION 574.** 71.28 (3q) (c) 2. of the statutes is amended to read:

71.28 **(3q)** (c) 2. No credit may be allowed under this subsection unless the claimant includes with the claimant's return a copy of the claimant's certification for tax benefits under s. 238.16 (2) or s. 560.2055 (2), 2009 stats.

SECTION 575. 71.28 (3q) (c) 3. of the statutes is amended to read:

71.28 **(3q)** (c) 3. The maximum amount of credits that may be awarded under this subsection and ss. 71.07 (3q) and 71.47 (3q) for the period beginning on January 1, 2010, and ending on June 30, 2013, is $14,500,000, not including the amount of any credits reallocated under s. 238.15 (3) (d) or s. 560.205 (3) (d), 2009 stats.

SECTION 576. 71.28 (3r) (b) of the statutes is amended to read:

71.28 **(3r)** (b) *Filing claims.* Subject to the limitations provided in this subsection and s. 238.19 or s. 560.208, 2009 stats., for taxable years beginning after December 31, 2008, and before January 1, 2017, a claimant may claim as a credit against the taxes imposed under s. 71.23, up to the amount of the tax, an amount equal to 10 percent of the amount the claimant paid in the taxable year for meat processing modernization or expansion related to the claimant's meat processing operation.

SECTION 577. 71.28 (3r) (c) 3. a. of the statutes is amended to read:

71.28 **(3r)** (c) 3. a. The maximum amount of the credits that may be allocated under this subsection and ss. 71.07 (3r) and 71.47 (3r) in fiscal year 2009-10 is $300,000, as allocated under s. 560.208, 2009 stats.

SECTION 578. 71.28 (3r) (c) 3. b. of the statutes is amended to read:

71.28 **(3r)** (c) 3. b. The maximum amount of the credits that may be allocated under this subsection and ss. 71.07 (3r) and 71.47 (3r) in fiscal year 2010-11, and in each fiscal year thereafter, is $700,000, as allocated under s. 238.19 or s. 560.208, 2009 stats.

1 **SECTION 579.** 71.28 (3r) (c) 6. of the statutes is amended to read:

2 71.28 **(3r)** (c) 6. No credit may be allowed under this subsection unless the
3 claimant submits with the claimant's return a copy of the claimant's credit
4 certification and allocation under s. 238.19 or s. 560.208, 2009 stats.

5 **SECTION 580.** 71.28 (3rm) (b) of the statutes is amended to read:

6 71.28 **(3rm)** (b) *Filing claims.* Subject to the limitations provided in this
7 subsection and s. 238.21 or s. 560.209, 2009 stats., for taxable years beginning after
8 December 31, 2009, and before January 1, 2016, a claimant may claim as a credit
9 against the taxes imposed under s. 71.23, up to the amount of the tax, an amount
10 equal to 10 percent of the amount the claimant paid in the taxable year for equipment
11 that is used primarily to harvest or process woody biomass that is used as fuel or as
12 a component of fuel.

13 **SECTION 581.** 71.28 (3rm) (c) 3. of the statutes is amended to read:

14 71.28 **(3rm)** (c) 3. The maximum amount of the credits that may be claimed
15 under this subsection and ss. 71.07 (3rm) and 71.47 (3rm) is $900,000, as allocated
16 under s. 238.21 or s. 560.209, 2009 stats.

17 **SECTION 582.** 71.28 (3rn) (b) of the statutes is amended to read:

18 71.28 **(3rn)** (b) *Filing claims.* Subject to the limitations provided in this
19 subsection and s. ~~506.2056~~ 238.17 or s. 560.2056, 2009 stats., for taxable years
20 beginning after December 31, 2009, and before January 1, 2017, a claimant may
21 claim as a credit against the tax imposed under s. 71.23, up to the amount of the tax,
22 an amount equal to 10 percent of the amount the claimant paid in the taxable year
23 for food processing or food warehousing modernization or expansion related to the
24 operation of the claimant's food processing plant or food warehouse.

25 **SECTION 583.** 71.28 (3rn) (c) 3. a. of the statutes is amended to read:

1 71.28 **(3rn)** (c) 3. a. The maximum amount of the credits that may be allocated
2 under this subsection and ss. 71.07 (3rn) and 71.47 (3rn) in fiscal year 2009-10 is
3 $1,000,000, as allocated under s. 560.2056, 2009 stats.

4 **SECTION 584.** 71.28 (3rn) (c) 3. b. of the statutes is amended to read:

5 71.28 **(3rn)** (c) 3. b. The maximum amount of the credits that may be allocated
6 under this subsection and ss. 71.07 (3rn) and 71.47 (3rn) in fiscal year 2010-11 is
7 $1,200,000, as allocated under s. 560.2056, 2009 stats.

8 **SECTION 585.** 71.28 (3rn) (c) 3. c. of the statutes is amended to read:

9 71.28 **(3rn)** (c) 3. c. The maximum amount of the credits that may be allocated
10 under this subsection and ss. 71.07 (3rn) and 71.47 (3rn) in fiscal year 2011-12, and
11 in each year thereafter, is $700,000, as allocated under s. 238.17 or s. 560.2056, 2009
12 stats.

13 **SECTION 586.** 71.28 (3rn) (c) 6. of the statutes is amended to read:

14 71.28 **(3rn)** (c) 6. No credit may be allowed under this subsection unless the
15 claimant submits with the claimant's return a copy of the claimant's credit
16 certification and allocation under s. 238.17 or s. 560.2056, 2009 stats.

17 **SECTION 587.** 71.28 (3t) (b) of the statutes is amended to read:

18 71.28 **(3t)** (b) *Credit.* Subject to the limitations provided in this subsection and
19 in s. 560.28, 2009 stats., for taxable years beginning after December 31, 2007, a
20 claimant may claim as a credit, amortized over 15 taxable years starting with the
21 taxable year beginning after December 31, 2007, against the tax imposed under s.
22 71.23, up to the amount of the tax, an amount equal to the claimant's unused credits
23 under s. 71.28 (3).

24 **SECTION 588.** 71.28 (3t) (c) 1. of the statutes is amended to read:

1 71.28 **(3t)** (c) 1. No credit may be claimed under this subsection unless the
2 claimant submits with the claimant's return a copy of the claimant's certification by
3 the department of commerce under s. 560.28, 2009 stats., except that, with regard
4 to credits claimed by partners of a partnership, members of a limited liability
5 company, or shareholders of a tax-option corporation, the entity shall provide a copy
6 of its certification under s. 560.28, 2009 stats., to the partner, member, or shareholder
7 to submit with his or her return.

8 **SECTION 589.** 71.28 (3w) (a) 2. of the statutes is amended to read:

9 71.28 **(3w)** (a) 2. "Claimant" means a person who is certified to claim tax
10 benefits under s. 238.399 (5) or s. 560.799 (5), 2009 stats., and who files a claim under
11 this subsection.

12 **SECTION 590.** 71.28 (3w) (a) 3. of the statutes is amended to read:

13 71.28 **(3w)** (a) 3. "Full-time employee" means a full-time employee, as defined
14 in s. 238.399 (1) (am) or s. 560.799 (1) (am), 2009 stats.

15 **SECTION 591.** 71.28 (3w) (a) 4. of the statutes is amended to read:

16 71.28 **(3w)** (a) 4. "Enterprise zone" means a zone designated under s. 238.399
17 or s. 560.799, 2009 stats.

18 **SECTION 592.** 71.28 (3w) (a) 5d. of the statutes is amended to read:

19 71.28 **(3w)** (a) 5d. "Tier I county or municipality" means a tier I county or
20 municipality, as determined ~~by the department of commerce~~ under s. 238.399 or s.
21 560.799, 2009 stats.

22 **SECTION 593.** 71.28 (3w) (a) 5e. of the statutes is amended to read:

23 71.28 **(3w)** (a) 5e. "Tier II county or municipality" means a tier II county or
24 municipality, as determined ~~by the department of commerce~~ under s. 238.399 or s.
25 560.799, 2009 stats.

1 **SECTION 594.** 71.28 (3w) (b) (intro.) of the statutes is amended to read:

2 71.28 **(3w)** (b) *Filing claims; payroll.* (intro.) Subject to the limitations
3 provided in this subsection and s. 238.399 or s. 560.799, 2009 stats., a claimant may
4 claim as a credit against the tax imposed under s. 71.23 an amount calculated as
5 follows:

6 **SECTION 595.** 71.28 (3w) (b) 5. of the statutes is amended to read:

7 71.28 **(3w)** (b) 5. Multiply the amount determined under subd. 4. by the
8 percentage determined ~~by the department of commerce~~ under s. 238.399 or s.
9 560.799, 2009 stats., not to exceed 7 percent.

10 **SECTION 596.** 71.28 (3w) (bm) 1. of the statutes is amended to read:

11 71.28 **(3w)** (bm) 1. In addition to the credits under par. (b) and subds. 2., 3., and
12 4., and subject to the limitations provided in this subsection and s. 238.399 or s.
13 560.799, 2009 stats., a claimant may claim as a credit against the tax imposed under
14 s. 71.23 an amount equal to a percentage, as determined ~~by the department of~~
15 ~~commerce~~ under s. 238.399 or s. 560.799, 2009 stats., not to exceed 100 percent, of
16 the amount the claimant paid in the taxable year to upgrade or improve the
17 job-related skills of any of the claimant's full-time employees, to train any of the
18 claimant's full-time employees on the use of job-related new technologies, or to
19 provide job-related training to any full-time employee whose employment with the
20 claimant represents the employee's first full-time job. This subdivision does not
21 apply to employees who do not work in an enterprise zone.

22 **SECTION 597.** 71.28 (3w) (bm) 2. of the statutes is amended to read:

23 71.28 **(3w)** (bm) 2. In addition to the credits under par. (b) and subds. 1., 3., and
24 4., and subject to the limitations provided in this subsection and s. 238.399 or s.
25 560.799, 2009 stats., a claimant may claim as a credit against the tax imposed under

1 s. 71.23 an amount equal to the percentage, as determined ~~by the department of~~
2 ~~commerce~~ under s. 238.399 or s. 560.799, 2009 stats., not to exceed 7 percent, of the
3 claimant's zone payroll paid in the taxable year to all of the claimant's full-time
4 employees whose annual wages are greater than $20,000 in a tier I county or
5 municipality, not including the wages paid to the employees determined under par.
6 (b) 1., or greater than $30,000 in a tier II county or municipality, not including the
7 wages paid to the employees determined under par. (b) 1., and who the claimant
8 employed in the enterprise zone in the taxable year, if the total number of such
9 employees is equal to or greater than the total number of such employees in the base
10 year. A claimant may claim a credit under this subdivision for no more than 5
11 consecutive taxable years.

12 **SECTION 598.** 71.28 (3w) (bm) 3. of the statutes is amended to read:

13 71.28 **(3w)** (bm) 3. In addition to the credits under par. (b) and subds. 1., 2., and
14 4., and subject to the limitations provided in this subsection and s. 238.399 or s.
15 560.799, 2009 stats., for taxable years beginning after December 31, 2008, a claimant
16 may claim as a credit against the tax imposed under s. 71.23 up to 10 percent of the
17 claimant's significant capital expenditures, as determined ~~by the department of~~
18 ~~commerce~~ under s. 238.399 (5m) or s. 560.799 (5m), 2009 stats.

19 **SECTION 599.** 71.28 (3w) (bm) 4. of the statutes is amended to read:

20 71.28 **(3w)** (bm) 4. In addition to the credits under par. (b) and subds. 1., 2., and
21 3., and subject to the limitations provided in this subsection and s. 238.399 or s.
22 560.799, 2009 stats., for taxable years beginning after December 31, 2009, a claimant
23 may claim as a credit against the tax imposed under s. 71.23, up to 1 percent of the
24 amount that the claimant paid in the taxable year to purchase tangible personal
25 property, items, property, or goods under s. 77.52 (1) (b), (c), or (d), or services from

1 Wisconsin vendors, as determined ~~by the department of commerce~~ under s. 238.399
2 (5) (e) or s. 560.799 (5) (e), 2009 stats., except that the claimant may not claim the
3 credit under this subdivision and subd. 3. for the same expenditures.

4 **SECTION 600.** 71.28 (3w) (c) 3. of the statutes is amended to read:

5 71.28 **(3w)** (c) 3. No credit may be allowed under this subsection unless the
6 claimant includes with the claimant's return a copy of the claimant's certification for
7 tax benefits under s. 238.399 (5) or (5m) or s. 560.799 (5) or (5m), 2009 stats.

8 **SECTION 601.** 71.28 (3w) (d) of the statutes is amended to read:

9 71.28 **(3w)** (d) *Administration.* Subsection (4) (g) and (h), as it applies to the
10 credit under sub. (4), applies to the credit under this subsection. Claimants shall
11 include with their returns a copy of their certification for tax benefits, and a copy of
12 the verification of their expenses, from the department of commerce or the Wisconsin
13 Economic Development Corporation.

14 **SECTION 602.** 71.28 (4) (am) 1. of the statutes is amended to read:

15 71.28 **(4)** (am) 1. In addition to the credit under par. (ad), any corporation may
16 credit against taxes otherwise due under this chapter an amount equal to 5 percent
17 of the amount obtained by subtracting from the corporation's qualified research
18 expenses, as defined in section 41 of the Internal Revenue Code, except that
19 "qualified research expenses" include only expenses incurred by the claimant in a
20 development zone under subch. II of ch. 238 or subch. VI of ch. 560, 2009 stats., except
21 that a taxpayer may elect the alternative computation under section 41 (c) (4) of the
22 Internal Revenue Code and that election applies until the department permits its
23 revocation and except that "qualified research expenses" do not include
24 compensation used in computing the credit under sub. (1dj) nor research expenses
25 incurred before the claimant is certified for tax benefits under s. 238.365 (3) or s.

1 560.765 (3), 2009 stats., the corporation's base amount, as defined in section 41 (c)
2 of the Internal Revenue Code, in a development zone, except that gross receipts used
3 in calculating the base amount means gross receipts from sales attributable to
4 Wisconsin under s. 71.25 (9) (b) 1. and 2., (df) 1. and 2., (dh) 1., 2., and 3., (dj), and
5 (dk) and research expenses used in calculating the base amount include research
6 expenses incurred before the claimant is certified for tax benefits under s. 238.365
7 (3) or s. 560.765 (3), 2009 stats., in a development zone, if the claimant submits with
8 the claimant's return a copy of the claimant's certification for tax benefits under s.
9 238.365 (3) or s. 560.765 (3), 2009 stats., and a statement from the department of
10 commerce or the Wisconsin Economic Development Corporation verifying the
11 claimant's qualified research expenses for research conducted exclusively in a
12 development zone. The rules under s. 73.03 (35) apply to the credit under this
13 subdivision. The rules under sub. (1di) (f) and (g) as they apply to the credit under
14 that subsection apply to claims under this subdivision. Section 41 (h) of the Internal
15 Revenue Code does not apply to the credit under this subdivision.

16 **SECTION 603.** 71.28 (4) (am) 2. of the statutes is amended to read:

17 71.28 **(4)** (am) 2. The development zones credit under subd. 1., as it applies to
18 a person certified under s. 238.365 (3) or s. 560.765 (3), 2009 stats., applies to a
19 corporation that conducts economic activity in a development opportunity zone
20 under s. 238.395 (1) or s. 560.795 (1), 2009 stats., and that is entitled to tax benefits
21 under s. 238.395 (3) or s. 560.795 (3), 2009 stats., subject to the limits under s.
22 238.395 (2) or s. 560.795 (2), 2009 stats. A development opportunity zone credit
23 under this subdivision may be calculated using expenses incurred by a claimant
24 beginning on the effective date under s. 238.395 (2) (a) or s. 560.795 (2) (a), 2009