

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

4 ***-1465/P4.401* *-1059/P3.156* SECTION 1797.** 71.07 (2di) (d) 1. of the
5 statutes is amended to read:

6 71.07 (2di) (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 ***-1465/P4.402* *-1059/P3.157* SECTION 1798.** 71.07 (2di) (f) of the statutes
9 is amended to read:

10 71.07 (2di) (f) If a person who is entitled under s. 560.795 (3), 2009 stats., to
11 claim tax benefits becomes ineligible for such tax benefits, that person may claim no
12 credits under this subsection for the taxable year that includes the day on which the
13 person becomes ineligible for tax benefits or succeeding taxable years and that
14 person may carry over no unused credits from previous years to offset tax under this
15 chapter for the taxable year that includes the day on which the person becomes
16 ineligible for tax benefits or succeeding taxable years.

17 ***-1465/P4.403* *-1059/P3.158* SECTION 1799.** 71.07 (2di) (g) of the statutes
18 is amended to read:

19 71.07 (2di) (g) If a person who is entitled under s. 560.795 (3), 2009 stats., to
20 claim tax benefits ceases business operations in the development zone during any of
21 the taxable years that that zone exists, that person may not carry over to any taxable
22 year following the year during which operations cease any unused credits from the
23 taxable year during which operations cease or from previous taxable years.

24 ***-1465/P4.404* *-1059/P3.159* SECTION 1800.** 71.07 (2dj) (am) (intro.) of the
25 statutes is amended to read:



1 71.07 (2dj) (am) (intro.) Except as provided under par. (f) or s. 73.03 (35) for any
 2 taxable year for which the person is certified under s. 560.765 (3), 2009 stats., for tax
 3 benefits, any person may claim as a credit against taxes otherwise due under this
 4 chapter an amount calculated as follows:

5 ***-1465/P4.405* *-1059/P3.160* SECTION 1801.** 71.07 (2dj) (am) 4. a. of the
 6 statutes is amended to read:

7 71.07 (2dj) (am) 4. a. If certified under s. 560.765 (3), 2009 stats., for tax
 8 benefits before January 1, 1992, modify "qualified wages" as defined in section 51 (b)
 9 of the internal revenue code to exclude wages paid before the claimant is certified for
 10 tax benefits and to exclude wages that are paid to employees for work at any location
 11 that is not in a development zone under subch. VI of ch. 560, 2009 stats. For purposes
 12 of this subd. 4. a., mobile employees work at their base of operations and leased or
 13 rented employees work at the location where they perform services.

14 ***-1465/P4.406* *-1059/P3.161* SECTION 1802.** 71.07 (2dj) (am) 4. b. of the
 15 statutes is amended to read:

16 71.07 (2dj) (am) 4. b. If certified under s. 560.765 (3), 2009 stats., for tax
 17 benefits after December 31, 1991, modify "qualified wages" as defined in section 51
 18 (b) of the internal revenue code to exclude wages paid before the claimant is certified
 19 for tax benefits and to exclude wages that are paid to employees for work at any
 20 location that is not in a development zone under subch. VI of ch. 560, 2009 stats. For
 21 purposes of this subd. 4. b., mobile employees and leased or rented employees work
 22 at their base of operations.

23 ***-1465/P4.407* *-1059/P3.162* SECTION 1803.** 71.07 (2dj) (am) 4c. of the
 24 statutes is amended to read:

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

6 ***-1465/P4.408* *-1059/P3.163* SECTION 1804.** 71.07 (2dj) (am) 4t. of the
7 statutes is amended to read:

8 71.07 (2dj) (am) 4t. If certified under s. 560.765 (3), 2009 stats., for tax benefits
9 before January 1, 1992, modify section 51 (i) (3) of the internal revenue code so that
10 for leased or rented employees, except employees of a leasing agency certified for tax
11 benefits who perform services directly for the agency in a development zone, the
12 minimum employment periods apply to the time that they perform services in a
13 development zone for a single lessee or renter, not to their employment by the leasing
14 agency.

15 ***-1465/P4.409* *-1059/P3.164* SECTION 1805.** 71.07 (2dj) (e) 1. of the
16 statutes is amended to read:

17 71.07 (2dj) (e) 1. A copy of the claimant's certification for tax benefits under s.
18 560.765 (3), 2009 stats.

19 ***-1465/P4.410* *-1059/P3.165* SECTION 1806.** 71.07 (2dj) (e) 3. a. of the
20 statutes is amended to read:

21 71.07 (2dj) (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 ***-1465/P4.411* *-1059/P3.166* SECTION 1807.** 71.07 (2dj) (e) 3. b. of the
2 statutes is amended to read:

3 71.07 (2dj) (e) 3. b. If certified under s. 560.765 (3), 2009 stats., for tax benefits
4 after December 31, 1991, a statement from the department of commerce verifying the
5 amount of qualifying wages and verifying that the employees were hired for work
6 only in a development zone or are mobile employees or leased or rented employees
7 whose base of operations is in a development zone.

8 ***-1465/P4.412* *-1059/P3.167* SECTION 1808.** 71.07 (2dL) (a) of the statutes
9 is amended to read:

10 71.07 (2dL) (a) Except as provided in pars. (ag), (ar), (bm) and (f) and s. 73.03
11 (35), for any taxable year for which the person is certified under s. 560.765 (3), 2009
12 stats., for tax benefits, any person may claim as a credit against taxes otherwise due
13 under this subchapter an amount equal to 2.5% of the amount expended by that
14 person to acquire, construct, rehabilitate or repair real property in a development
15 zone under subch. VI of ch. 560, 2009 stats.

16 ***-1465/P4.413* *-1059/P3.168* SECTION 1809.** 71.07 (2dL) (ag) of the
17 statutes is amended to read:

18 71.07 (2dL) (ag) If the credit under par. (a) is claimed for an amount expended
19 to construct, rehabilitate, remodel or repair property, the claimant must have begun
20 the physical work of construction, rehabilitation, remodeling or repair, or any
21 demolition or destruction in preparation for the physical work, after the place where
22 the property is located was designated a development zone under s. 560.71, 2009
23 stats., and the completed project must be placed in service after the claimant is
24 certified for tax benefits under s. 560.765 (3), 2009 stats. In this paragraph, "physical
25 work" does not include preliminary activities such as planning, designing, securing

1 financing, researching, developing specifications or stabilizing the property to
2 prevent deterioration.

3 ***-1465/P4.414* *-1059/P3.169* SECTION 1810.** 71.07 (2dL) (ar) of the statutes
4 is amended to read:

5 71.07 (**2dL**) (ar) If the credit under par. (a) is claimed for an amount expended
6 to acquire property, the property must have been acquired by the claimant after the
7 place where the property is located was designated a development zone under s.
8 560.71, 2009 stats., and the completed project must be placed in service after the
9 claimant is certified for tax benefits under s. 560.765 (3), 2009 stats., and the
10 property must not have been previously owned by the claimant or a related person
11 during the 2 years prior to the designation of the development zone under s. 560.71,
12 2009 stats. No credit is allowed for an amount expended to acquire property until
13 the property, either in its original state as acquired by the claimant or as
14 subsequently constructed, rehabilitated, remodeled or repaired, is placed in service.

15 ***-1465/P4.415* *-1059/P3.170* SECTION 1811.** 71.07 (2dL) (bm) of the
16 statutes is amended to read:

17 71.07 (**2dL**) (bm) In calculating the credit under par. (a) a claimant shall reduce
18 the amount expended to acquire property by a percentage equal to the percentage of
19 the area of the real property not used for the purposes for which the claimant is
20 certified to claim tax benefits under s. 560.765 (3), 2009 stats., and shall reduce the
21 amount expended for other purposes by the amount expended on the part of the
22 property not used for the purposes for which the claimant is certified to claim tax
23 benefits under s. 560.765 (3), 2009 stats.

24 ***-1465/P4.416* *-1059/P3.171* SECTION 1812.** 71.07 (2dL) (c) of the statutes
25 is amended to read:

1 71.07 (2dL) (c) If the claimant is located on an Indian reservation, as defined
2 in s. 560.86 (5), 2009 stats., and is an American Indian, as defined in s. 560.86 (1),
3 2009 stats., an Indian business, as defined in s. 560.86 (4), 2009 stats., or a tribal
4 enterprise, as defined in sub. (2di) (b) 2., and if the allowable amount of the credit
5 under par. (a) exceeds the taxes otherwise due under this chapter on or measured by
6 the claimant's income, the amount of the credit not used as an offset against those
7 taxes shall be certified to the department of administration for payment to the
8 claimant by check, share draft or other draft.

9 *~~1465/P4.417~~* *~~1059/P3.172~~* SECTION 1813. 71.07 (2dm) (a) 1. of the
10 statutes is amended to read:

11 71.07 (2dm) (a) 1. "Certified" means entitled under s. 238.395 (3) (a) 4. or s.
12 560.795 (3) (a) 4., 2009 stats., to claim tax benefits or certified under s. 238.395 (5),
13 238.398 (5), or 238.3995 (4) or s. 560.795 (5), 2009 stats., s. 560.798 (3), 2009 stats.,
14 or s. 560.7995 (4), 2009 stats.

15 *~~1465/P4.418~~* *~~1059/P3.173~~* SECTION 1814. 71.07 (2dm) (a) 3. of the
16 statutes is amended to read:

17 71.07 (2dm) (a) 3. "Development zone" means a development opportunity zone
18 under s. 238.395 (1) (e) and (f) or 238.398 or s. 560.795 (1) (e) and (f), 2009 stats., or
19 s. 560.798, 2009 stats., or an airport development zone under s. 238.3995 or s.
20 560.7995, 2009 stats.

21 *~~1465/P4.419~~* *~~1059/P3.174~~* SECTION 1815. 71.07 (2dm) (a) 4. of the
22 statutes is amended to read:

23 71.07 (2dm) (a) 4. "Previously owned property" means real property that the
24 claimant or a related person owned during the 2 years prior to the department of
25 commerce or the Wisconsin Economic Development Corporation designating the

1 place where the property is located as a development zone and for which the claimant
2 may not deduct a loss from the sale of the property to, or an exchange of the property
3 with, the related person under section 267 of the Internal Revenue Code, except that
4 section 267 (b) of the Internal Revenue Code is modified so that if the claimant owns
5 any part of the property, rather than 50% ownership, the claimant is subject to
6 section 267 (a) (1) of the Internal Revenue Code for purposes of this subsection.

7 ***-1465/P4.420* *-1059/P3.175* SECTION 1816.** 71.07 (2dm) (f) 1. of the
8 statutes is amended to read:

9 71.07 (2dm) (f) 1. A copy of a the verification from the department of commerce
10 that the claimant may claim tax benefits under s. 238.395 (3) (a) 4. or s. 560.795 (3)
11 (a) 4., 2009 stats., or is certified under s. 238.395 (5), 238.398 (3), or 238.3995 (4) or
12 s. or s. 560.795 (5), 2009 stats., s. 560.798 (3), 2009 stats., or s. 560.7995 (4), 2009
13 stats.

14 ***-1465/P4.421* *-1059/P3.176* SECTION 1817.** 71.07 (2dm) (f) 2. of the
15 statutes is amended to read:

16 71.07 (2dm) (f) 2. A statement from the department of commerce or the
17 Wisconsin Economic Development Corporation verifying the purchase price of the
18 investment and verifying that the investment fulfills the requirements under par.
19 (b).

20 ***-1465/P4.422* *-1059/P3.177* SECTION 1818.** 71.07 (2dm) (i) of the statutes
21 is amended to read:

22 71.07 (2dm) (i) Partnerships, limited liability companies, and tax-option
23 corporations may not claim the credit under this subsection, but the eligibility for,
24 and the amount of, that credit shall be determined on the basis of their economic
25 activity, not that of their shareholders, partners, or members. The corporation,

1 partnership, or limited liability company shall compute the amount of credit that
2 may be claimed by each of its shareholders, partners, or members and provide that
3 information to its shareholders, partners, or members. Partners, members of limited
4 liability companies, and shareholders of tax-option corporations may claim the
5 credit based on the partnership's, company's, or corporation's activities in proportion
6 to their ownership interest and may offset it against the tax attributable to their
7 income from the partnership's, company's, or corporation's business operations in the
8 development zone; except that partners, members, and shareholders in a
9 development zone under s. 238.395 (1) (e) or s. 560.795 (1) (e), 2009 stats., may offset
10 the credit against the amount of the tax attributable to their income.

11 ***-1465/P4.423* *-1059/P3.178* SECTION 1819.** 71.07 (2dm) (j) of the statutes
12 is amended to read:

13 71.07 (**2dm**) (j) If a person who is entitled under s. 238.395 (3) (a) 4. or s. 560.795
14 (3) (a) 4., 2009 stats., to claim tax benefits becomes ineligible for such tax benefits,
15 or if a person's certification under s. 238.395 (5), 238.398 (3), or 238.3995 (4) or s.
16 560.795 (5), 2009 stats., s. 560.798 (3), 2009 stats., or s. 560.7995 (4), 2009 stats., is
17 revoked, that person may claim no credits under this subsection for the taxable year
18 that includes the day on which the person becomes ineligible for tax benefits, the
19 taxable year that includes the day on which the certification is revoked, or succeeding
20 taxable years, and that person may carry over no unused credits from previous years
21 to offset tax under this chapter for the taxable year that includes the day on which
22 the person becomes ineligible for tax benefits, the taxable year that includes the day
23 on which the certification is revoked, or succeeding taxable years.

24 ***-1465/P4.424* *-1059/P3.179* SECTION 1820.** 71.07 (2dm) (k) of the statutes
25 is amended to read:

1 71.07 (2dm) (k) If a person who is entitled under s. 238.395 (3) (a) 4. or s.
2 560.795 (3) (a) 4., 2009 stats., to claim tax benefits or certified under s. 238.395 (5),
3 238.398 (3), or 238.3995 (4) or s. 560.795 (5), 2009 stats., s. 560.798 (3), 2009 stats.,
4 or s. 560.7995 (4), 2009 stats., ceases business operations in the development zone
5 during any of the taxable years that that zone exists, that person may not carry over
6 to any taxable year following the year during which operations cease any unused
7 credits from the taxable year during which operations cease or from previous taxable
8 years.

9 ***-1465/P4.425*** ***-1059/P3.180*** SECTION 1821. 71.07 (2dr) (a) of the statutes
10 is amended to read:

11 71.07 (2dr) (a) *Credit.* Any person may credit against taxes otherwise due
12 under this chapter an amount equal to 5% of the amount obtained by subtracting
13 from the person's qualified research expenses, as defined in section 41 of the internal
14 revenue code, except that "qualified research expenses" include only expenses
15 incurred by the claimant in a development zone under subch. VI of ch. 560, 2009
16 stats., except that a taxpayer may elect the alternative computation under section
17 41 (c) (4) of the Internal Revenue Code and that election applies until the department
18 permits its revocation and except that "qualified research expenses" do not include
19 compensation used in computing the credit under sub. (2dj) nor research expenses
20 incurred before the claimant is certified for tax benefits under s. 560.765 (3), 2009
21 stats., the person's base amount, as defined in section 41 (c) of the internal revenue
22 code, in a development zone, except that gross receipts used in calculating the base
23 amount means gross receipts from sales attributable to Wisconsin under s. 71.04 (7)
24 (b) 1. and 2., (df) 1. and 2., (dh) 1., 2., and 3., (dj) 1. and (dk) 1. and research expenses
25 used in calculating the base amount include research expenses incurred before the

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

10 ***-1465/P4.426* *-1059/P3.181* SECTION 1822.** 71.07 (2dr) (b) of the statutes
11 is amended to read:

12 71.07 (2dr) (b) *Development opportunity zones.* The development zones
13 research credit under par. (a), as it applies to a person certified under s. 560.765 (3),
14 2009 stats., applies to a person that conducts economic activity in a development
15 opportunity zone under s. 560.795 (1), 2009 stats., and that is entitled to tax benefits
16 under s. 560.795 (3), 2009 stats., subject to the limits under s. 560.795 (2), 2009 stats.
17 A development opportunity zone credit under this paragraph may be calculated
18 using expenses incurred by a claimant beginning on the effective date under s.
19 560.795 (2) (a), 2009 stats., of the development opportunity zone designation of the
20 area in which the claimant conducts economic activity.

21 ***-1465/P4.427* *-1059/P3.182* SECTION 1823.** 71.07 (2ds) (a) 1. of the
22 statutes is amended to read:

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

1 ***-1465/P4.428* *-1059/P3.183* SECTION 1824.** 71.07 (2ds) (b) of the statutes
2 is amended to read:

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

17 ***-1465/P4.429* *-1059/P3.184* SECTION 1825.** 71.07 (2ds) (d) 1. of the
18 statutes is amended to read:

19 71.07 **(2ds)** (d) 1. A copy of the claimant's certification for tax benefits under
20 s. 560.765 (3), 2009 stats.

21 ***-1465/P4.430* *-1059/P3.185* SECTION 1826.** 71.07 (2dx) (a) 2. of the
22 statutes is amended to read:

23 71.07 **(2dx)** (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.

1 560.797, 2009 stats., an agricultural development zone under s. 238.398 or s.
2 560.798, 2009 stats., or an airport development zone under s. 238.3995 or s.
3 560.7995, 2009 stats.

4 ***-1195/2.126* SECTION 1827.** 71.07 (2dx) (a) 5. of the statutes is amended to
5 read:

6 71.07 (2dx) (a) 5. "Member of a targeted group" means a person who resides
7 in an area designated by the federal government as an economic revitalization area,
8 a person who is employed in an unsubsidized job but meets the eligibility
9 requirements under s. 49.145 (2) and (3) for a Wisconsin Works employment position,
10 a person who is employed in a trial job, as defined in s. 49.141 (1) (n), or in a real work,
11 real pay project position under s. 49.147 (3m), a person who is eligible for child care
12 assistance under s. 49.155, a person who is a vocational rehabilitation referral, an
13 economically disadvantaged youth, an economically disadvantaged veteran, a
14 supplemental security income recipient, a general assistance recipient, an
15 economically disadvantaged ex-convict, a qualified summer youth employee, as
16 defined in 26 USC 51 (d) (7), a dislocated worker, as defined in 29 USC 2801 (9), or
17 a food stamp recipient of benefits under the supplemental nutrition assistance
18 program under 7 USC 2011 to 2036, if the person has been certified in the manner
19 under sub. (2dj) (am) 3. by a designated local agency, as defined in sub. (2dj) (am) 2.

20 ***-1465/P4.431* *-1059/P3.186* SECTION 1828.** 71.07 (2dx) (b) (intro.) of the
21 statutes is amended to read:

22 71.07 (2dx) (b) *Credit.* (intro.) Except as provided in pars. (be) and (bg) and
23 in s. 73.03 (35), and subject to s. 238.385 or s. 560.785, 2009 stats., for any taxable
24 year for which the person is entitled under s. 238.395 (3) or s. 560.795 (3), 2009 stats.,
25 to claim tax benefits or certified under s. 238.365 (3), 238.397 (4), 238.398 (3), or

1 238.3995 (4) or s. 560.765 (3), 2009 stats., s. 560.797 (4), 2009 stats., s. 560.798 (3),
2 2009 stats., or s. 560.7995 (4), 2009 stats., any person may claim as a credit against
3 the taxes otherwise due under this chapter the following amounts:

4 ***-1465/P4.432* *-1059/P3.187* SECTION 1829.** 71.07 (2dx) (b) 2. of the
5 statutes is amended to read:

6 71.07 (2dx) (b) 2. The amount determined by multiplying the amount
7 determined under s. 238.385 (1) (b) or s. 560.785 (1) (b), 2009 stats., by the number
8 of full-time jobs created in a development zone and filled by a member of a targeted
9 group and by then subtracting the subsidies paid under s. 49.147 (3) (a) or the
10 subsidies and reimbursements paid under s. 49.147 (3m) (c) for those jobs.

11 ***-1465/P4.433* *-1059/P3.188* SECTION 1830.** 71.07 (2dx) (b) 3. of the
12 statutes is amended to read:

13 71.07 (2dx) (b) 3. The amount determined by multiplying the amount
14 determined under s. 238.385 (1) (c) or s. 560.785 (1) (c), 2009 stats., by the number
15 of full-time jobs created in a development zone and not filled by a member of a
16 targeted group and by then subtracting the subsidies paid under s. 49.147 (3) (a) or
17 the subsidies and reimbursements paid under s. 49.147 (3m) (c) for those jobs.

18 ***-1465/P4.434* *-1059/P3.189* SECTION 1831.** 71.07 (2dx) (b) 4. of the
19 statutes is amended to read:

20 71.07 (2dx) (b) 4. The amount determined by multiplying the amount
21 determined under s. 238.385 (1) (bm) or s. 560.785 (1) (bm), 2009 stats., by the
22 number of full-time jobs retained, as provided in the rules under s. 238.385 or s.
23 560.785, 2009 stats., excluding jobs for which a credit has been claimed under sub.
24 (2dj), in an enterprise development zone under s. 238.397 or s. 560.797, 2009 stats.,
25 and for which significant capital investment was made and by then subtracting the

1 subsidies paid under s. 49.147 (3) (a) or the subsidies and reimbursements paid
2 under s. 49.147 (3m) (c) for those jobs.

3 ***-1465/P4.435* *-1059/P3.190* SECTION 1832.** 71.07 (2dx) (b) 5. of the
4 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 ***-1465/P4.436* *-1059/P3.191* SECTION 1833.** 71.07 (2dx) (be) of the statutes
13 is amended to read:

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

20 ***-1465/P4.437* *-1059/P3.192* SECTION 1834.** 71.07 (2dx) (bg) of the statutes
21 is amended to read:

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

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

9 ***-1465/P4.438* *-1059/P3.193* SECTION 1835.** 71.07 (2dx) (c) of the statutes
10 is amended to read:

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

23 ***-1465/P4.439* *-1059/P3.194* SECTION 1836.** 71.07 (2dx) (d) of the statutes
24 is amended to read:

1 71.07 (2dx) (d) *Carry-over precluded.* If a person who is entitled under s.
2 238.395 (3) or s. 560.795 (3), 2009 stats., to claim tax benefits or certified under s.
3 238.365 (3), 238.397 (4), 238.398 (3), or 238.3995 (4) or s. 560.765 (3), 2009 stats., s.
4 560.797 (4), 2009 stats., s. 560.798 (3), 2009 stats., or s. 560.7995 (4), 2009 stats., for
5 tax benefits ceases business operations in the development zone during any of the
6 taxable years that that zone exists, that person may not carry over to any taxable
7 year following the year during which operations cease any unused credits from the
8 taxable year during which operations cease or from previous taxable years.

9 ***-1465/P4.440*** *-1059/P3.195* SECTION 1837. 71.07 (2dy) (a) of the statutes
10 is amended to read:

11 71.07 (2dy) (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 ***-1465/P4.441*** *-1059/P3.196* SECTION 1838. 71.07 (2dy) (b) of the statutes
16 is amended to read:

17 71.07 (2dy) (b) *Filing claims.* Subject to the limitations under this subsection
18 and ss. 238.301 to 238.306 or ss. 560.701 to 560.706, 2009 stats., for taxable years
19 beginning after December 31, 2008, a claimant may claim as a credit against the tax
20 imposed under s. 71.02 or 71.08, up to the amount of the tax, the amount authorized
21 for the claimant under s. 238.303 or s. 560.703, 2009 stats.

22 ***-1465/P4.442*** *-1059/P3.197* SECTION 1839. 71.07 (2dy) (c) 1. of the
23 statutes is amended to read:

24 71.07 (2dy) (c) 1. No credit may be allowed under this subsection unless the
25 claimant includes with the claimant’s return a copy of the claimant’s certification

1 under s. 238.301 (2) or s. 560.701 (2), 2009 stats., and a copy of the claimant's notice
2 of eligibility to receive tax benefits under s. 238.303 (3) or s. 560.703 (3), 2009 stats.

3 ***-1465/P4.443* *-1059/P3.198* SECTION 1840.** 71.07 (2dy) (c) 2. of the
4 statutes is amended to read:

5 71.07 **(2dy)** (c) 2. Partnerships, limited liability companies, and tax-option
6 corporations may not claim the credit under this subsection, but the eligibility for,
7 and the amount of, the credit are based on their authorization to claim tax benefits
8 under s. 238.303 or s. 560.703, 2009 stats. A partnership, limited liability company,
9 or tax-option corporation shall compute the amount of credit that each of its
10 partners, members, or shareholders may claim and shall provide that information
11 to each of them. Partners, members of limited liability companies, and shareholders
12 of tax-option corporations may claim the credit in proportion to their ownership
13 interests.

14 ***-1465/P4.444* *-1059/P3.199* SECTION 1841.** 71.07 (2dy) (d) 2. of the
15 statutes is amended to read:

16 71.07 **(2dy)** (d) 2. If a claimant's certification is revoked under s. 238.305 or s.
17 560.705, 2009 stats., or if a claimant becomes ineligible for tax benefits under s.
18 238.302 or s. 560.702, 2009 stats., the claimant 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 claimant becomes
21 ineligible for tax benefits; or succeeding taxable years and the claimant may not
22 carry over unused credits from previous years to offset the tax imposed under s. 71.02
23 or 71.08 for the taxable year that includes the day on which certification is revoked;
24 the taxable year that includes the day on which the claimant becomes ineligible for
25 tax benefits; or succeeding taxable years.

1 ***-1465/P4.445* *-1059/P3.200* SECTION 1842.** 71.07 (3g) (a) (intro.) of the
2 statutes is amended to read:

3 71.07 (3g) (a) (intro.) Subject to the limitations under this subsection and ss.
4 73.03 (35m) and 238.23 and s. 560.96, 2009 stats., a business that is certified under
5 s. 238.23 (3) or s. 560.96 (3), 2009 stats., may claim as a credit against the taxes
6 imposed under s. 71.02 an amount equal to the sum of the following, as established
7 under s. 238.23 (3) (c) or s. 560.96 (3) (c), 2009 stats.:

8 ***-1465/P4.446* *-1059/P3.201* SECTION 1843.** 71.07 (3g) (b) of the statutes
9 is amended to read:

10 71.07 (3g) (b) The department of revenue shall notify the department of
11 commerce or the Wisconsin Economic Development Corporation of all claims under
12 this subsection.

13 ***-1465/P4.447* *-1059/P3.202* SECTION 1844.** 71.07 (3g) (e) 2. of the statutes
14 is amended to read:

15 71.07 (3g) (e) 2. The investments that relate to the amount described under par.
16 (a) 2. for which a claimant makes a claim under this subsection must be retained for
17 use in the technology zone for the period during which the claimant's business is
18 certified under s. 238.23 (3) or s. 560.96 (3), 2009 stats.

19 ***-1465/P4.448* *-1059/P3.203* SECTION 1845.** 71.07 (3g) (f) 1. of the statutes
20 is amended to read:

21 71.07 (3g) (f) 1. A copy of ~~a~~ the verification from the department of commerce
22 that the claimant's business is certified under s. 238.23 (3) or s. 560.96 (3), 2009
23 stats., and that the business ~~and the department of commerce have~~ has entered into
24 an agreement under s. 238.23 (3) (d) or s. 560.96 (3) (d), 2009 stats.

1 ***-1465/P4.449* *-1059/P3.204* SECTION 1846.** 71.07 (3g) (f) 2. of the statutes
2 is amended to read:

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

7 ***-1465/P4.450* *-1059/P3.205* SECTION 1847.** 71.07 (3p) (b) of the statutes
8 is amended to read:

9 71.07 (3p) (b) *Filing claims.* Subject to the limitations provided in this
10 subsection and s. 93.535 or s. 560.207, 2009 stats., except as provided in par. (c) 5.,
11 for taxable years beginning after December 31, 2006, and before January 1, 2015, a
12 claimant may claim as a credit against the taxes imposed under s. 71.02 or 71.08, up
13 to the amount of the tax, an amount equal to 10 percent of the amount the claimant
14 paid in the taxable year for dairy manufacturing modernization or expansion related
15 to the claimant's dairy manufacturing operation.

16 ***-1465/P4.451* *-1059/P3.206* SECTION 1848.** 71.07 (3p) (c) 2m. a. of the
17 statutes is amended to read:

18 71.07 (3p) (c) 2m. a. The maximum amount of the credits that may be claimed
19 under this subsection and ss. 71.28 (3p) and 71.47 (3p) in fiscal year 2007-08 is
20 \$600,000, as allocated under s. 560.207, 2009 stats.

21 ***-1465/P4.452* *-1059/P3.207* SECTION 1849.** 71.07 (3p) (c) 2m. b. of the
22 statutes is amended to read:

23 71.07 (3p) (c) 2m. b. The maximum amount of the credits that may be claimed
24 by all claimants, other than members of dairy cooperatives, under this subsection

1 and ss. 71.28 (3p) and 71.47 (3p) in fiscal year 2008-09, and in each fiscal year
2 thereafter, is \$700,000, as allocated under s. 93.535 or s. 560.207, 2009 stats.

3 ***-1465/P4.453* *-1059/P3.208* SECTION 1850.** 71.07 (3p) (c) 2m. bm. of the
4 statutes is amended to read:

5 71.07 (3p) (c) 2m. bm. The maximum amount of the credits that may be claimed
6 by members of dairy cooperatives under this subsection and ss. 71.28 (3p) and 71.47
7 (3p) in fiscal year 2009-10 is \$600,000, as allocated under s. 560.207, 2009 stats., and
8 the maximum amount of the credits that may be claimed by members of dairy
9 cooperatives under this subsection and ss. 71.28 (3p) and 71.47 (3p) in fiscal year
10 2010-11, and in each fiscal year thereafter, is \$700,000, as allocated under s. 93.535
11 or s. 560.207, 2009 stats.

12 ***-0170/P1.1* SECTION 1851.** 71.07 (3p) (c) 3. of the statutes is amended to read:

13 71.07 (3p) (c) 3. Partnerships, limited liability companies, tax-option
14 corporations, and dairy cooperatives may not claim the credit under this subsection,
15 but the eligibility for, and the amount of, the credit are based on their payment of
16 expenses under par. (b), except that the aggregate amount of credits that ~~the entity~~
17 a dairy cooperative may compute shall not exceed \$200,000 for each of the ~~entity's~~
18 cooperative's dairy manufacturing facilities. A partnership, limited liability
19 company, tax-option corporation, or dairy cooperative shall compute the amount of
20 credit that each of its partners, members, or shareholders may claim and shall
21 provide that information to each of them. Partners, members of limited liability
22 companies, and shareholders of tax-option corporations may claim the credit in
23 proportion to their ownership interest. Members of a dairy cooperative may claim
24 the credit in proportion to the amount of milk that each member delivers to the dairy
25 cooperative, as determined by the dairy cooperative.

1 ***-1465/P4.454* *-1059/P3.209* SECTION 1852.** 71.07 (3p) (c) 6. of the statutes
2 is amended to read:

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

6 ***-1465/P4.455* *-1059/P3.210* SECTION 1853.** 71.07 (3q) (a) 1. of the statutes
7 is amended to read:

8 71.07 (3q) (a) 1. "Claimant" means a person certified to receive tax benefits
9 under s. 238.16 (2) or s. 560.2055 (2), 2009 stats.

10 ***-1465/P4.456* *-1059/P3.211* SECTION 1854.** 71.07 (3q) (a) 2. of the statutes
11 is amended to read:

12 71.07 (3q) (a) 2. "Eligible employee" means, for taxable years beginning before
13 January 1, 2011, an eligible employee under s. 560.2055 (1) (b), 2009 stats., who
14 satisfies the wage requirements under s. 560.2055 (3) (a) or (b), 2009 stats., or, for
15 taxable years beginning after December 31, 2010, an eligible employee under s.
16 238.16 (1) (b).

17 ***-1465/P4.457* *-1059/P3.212* SECTION 1855.** 71.07 (3q) (b) (intro.) of the
18 statutes is amended to read:

19 71.07 (3q) (b) *Filing claims.* (intro.) Subject to the limitations provided in this
20 subsection and s. 238.16 or s. 560.2055, 2009 stats., for taxable years beginning after
21 December 31, 2009, a claimant may claim as a credit against the taxes imposed under
22 ss. 71.02 and 71.08 any of the following.

23 ***-1465/P4.458* *-1059/P3.213* SECTION 1856.** 71.07 (3q) (b) 1. of the statutes
24 is amended to read:

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

5 *-1465/P4.459* *-1059/P3.214* SECTION 1857. 71.07 (3q) (b) 2. of the statutes
6 is amended to read:

7 71.07 (3q) (b) 2. The amount of the costs incurred by the claimant in the taxable
8 year, as determined under s. 238.16 or s. 560.2055, 2009 stats., to undertake the
9 training activities described under s. 238.16 (3) (c) or s. 560.2055 (3) (c), 2009 stats.

10 *-1465/P4.460* *-1059/P3.215* SECTION 1858. 71.07 (3q) (c) 2. of the statutes
11 is amended to read:

12 71.07 (3q) (c) 2. No credit may be allowed under this subsection unless the
13 claimant includes with the claimant's return a copy of the claimant's certification for
14 tax benefits under s. 238.16 (2) or s. 560.2055 (2), 2009 stats.

15 *-1465/P4.461* *-1059/P3.216* SECTION 1859. 71.07 (3q) (c) 3. of the statutes
16 is amended to read:

17 71.07 (3q) (c) 3. The maximum amount of credits that may be awarded under
18 this subsection and ss. 71.28 (3q) and 71.47 (3q) for the period beginning on January
19 1, 2010, and ending on June 30, 2013, is \$14,500,000, not including the amount of
20 any credits reallocated under s. 238.15 (3) (d) or s. 560.205 (3) (d), 2009 stats.

21 *-1465/P4.462* *-1059/P3.217* SECTION 1860. 71.07 (3r) (b) of the statutes
22 is amended to read:

23 71.07 (3r) (b) *Filing claims.* Subject to the limitations provided in this
24 subsection and s. 238.19 or s. 560.208, 2009 stats., for taxable years beginning after
25 December 31, 2008, and before January 1, 2017, a claimant may claim as a credit

1 against the taxes imposed under s. 71.02 or 71.08, up to the amount of the tax, an
2 amount equal to 10 percent of the amount the claimant paid in the taxable year for
3 meat processing modernization or expansion related to the claimant's meat
4 processing operation.

5 ***-1465/P4.463* *-1059/P3.218* SECTION 1861.** 71.07 (3r) (c) 3. a. of the
6 statutes is amended to read:

7 71.07 (3r) (c) 3. a. The maximum amount of the credits that may be allocated
8 under this subsection and ss. 71.28 (3r) and 71.47 (3r) in fiscal year 2009-10 is
9 \$300,000, as allocated under s. 560.208, 2009 stats.

10 ***-1465/P4.464* *-1059/P3.219* SECTION 1862.** 71.07 (3r) (c) 3. b. of the
11 statutes is amended to read:

12 71.07 (3r) (c) 3. b. The maximum amount of the credits that may be allocated
13 under this subsection and ss. 71.28 (3r) and 71.47 (3r) in fiscal year 2010-11, and in
14 each fiscal year thereafter, is \$700,000, as allocated under s. 238.19 or s. 560.208,
15 2009 stats.

16 ***-1465/P4.465* *-1059/P3.220* SECTION 1863.** 71.07 (3r) (c) 6. of the statutes
17 is amended to read:

18 71.07 (3r) (c) 6. No credit may be allowed under this subsection unless the
19 claimant submits with the claimant's return a copy of the claimant's credit
20 certification and allocation under s. 238.19 or s. 560.208, 2009 stats.

21 ***-1465/P4.466* *-1059/P3.221* SECTION 1864.** 71.07 (3rm) (b) of the statutes
22 is amended to read:

23 71.07 (3rm) (b) *Filing claims.* Subject to the limitations provided in this
24 subsection and s. 238.21 or s. 560.209, 2009 stats., for taxable years beginning after
25 December 31, 2009, and before January 1, 2016, a claimant may claim as a credit

1 against the taxes imposed under s. 71.02 or 71.08, up to the amount of the tax, an
2 amount equal to 10 percent of the amount the claimant paid in the taxable year for
3 equipment that is used primarily to harvest or process woody biomass that is used
4 as fuel or as a component of fuel.

5 ***-1465/P4.467* *-1059/P3.222* SECTION 1865.** 71.07 (3rm) (c) 3. of the
6 statutes is amended to read:

7 71.07 (3rm) (c) 3. The maximum amount of the credits that may be claimed
8 under this subsection and ss. 71.28 (3rm) and 71.47 (3rm) is \$900,000, as allocated
9 under s. 238.21 or s. 560.209, 2009 stats.

10 ***-1465/P4.468* *-1059/P3.223* SECTION 1866.** 71.07 (3rn) (b) of the statutes
11 is amended to read:

12 71.07 (3rn) (b) *Filing claims.* Subject to the limitations provided in this
13 subsection and s. ~~506.2056~~ 238.17 or s. 560.2056, 2009 stats., for taxable years
14 beginning after December 31, 2009, and before January 1, 2017, a claimant may
15 claim as a credit against the tax imposed under ss. 71.02 and 71.08, up to the amount
16 of the tax, an amount equal to 10 percent of the amount the claimant paid in the
17 taxable year for food processing or food warehousing modernization or expansion
18 related to the operation of the claimant's food processing plant or food warehouse.

19 ***-1465/P4.469* *-1059/P3.224* SECTION 1867.** 71.07 (3rn) (c) 3. a. of the
20 statutes is amended to read:

21 71.07 (3rn) (c) 3. a. The maximum amount of the credits that may be allocated
22 under this subsection and ss. 71.28 (3rn) and 71.47 (3rn) in fiscal year 2009-10 is
23 \$1,000,000, as allocated under s. 560.2056, 2009 stats.

24 ***-1465/P4.470* *-1059/P3.225* SECTION 1868.** 71.07 (3rn) (c) 3. b. of the
25 statutes is amended to read:

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

4 ***-1465/P4.471* *-1059/P3.226* SECTION 1869.** 71.07 (3rn) (c) 3. c. of the
5 statutes is amended to read:

6 71.07 (3rn) (c) 3. c. The maximum amount of the credits that may be allocated
7 under this subsection and ss. 71.28 (3rn) and 71.47 (3rn) in fiscal year 2011-12, and
8 in each year thereafter, is \$700,000, as allocated under s. 238.17 or s. 560.2056, 2009
9 stats.

10 ***-1465/P4.472* *-1059/P3.227* SECTION 1870.** 71.07 (3rn) (c) 6. of the
11 statutes is amended to read:

12 71.07 (3rn) (c) 6. No credit may be allowed under this subsection unless the
13 claimant submits with the claimant's return a copy of the claimant's credit
14 certification and allocation under s. 238.17 or s. 560.2056, 2009 stats.

15 ***-1465/P4.473* *-1059/P3.228* SECTION 1871.** 71.07 (3t) (b) of the statutes
16 is amended to read:

17 71.07 (3t) (b) *Credit.* Subject to the limitations provided in this subsection and
18 in s. 560.28, 2009 stats., for taxable years beginning after December 31, 2007, a
19 claimant may claim as a credit, amortized over 15 taxable years starting with the
20 taxable year beginning after December 31, 2007, against the tax imposed under s.
21 71.02 and 71.08, up to the amount of the tax, an amount equal to the claimant's
22 unused credits under s. 71.07 (3s).

23 ***-1465/P4.474* *-1059/P3.229* SECTION 1872.** 71.07 (3t) (c) 1. of the statutes
24 is amended to read:

1 71.07 (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 ***-1465/P4.475* *-1059/P3.230* SECTION 1873.** 71.07 (3w) (a) 2. of the
9 statutes is amended to read:

10 71.07 (3w) (a) 2. "Claimant" means a person who is certified to claim tax
11 benefits under s. 238.399 (5) or s. 560.799 (5), 2009 stats., and who files a claim under
12 this subsection.

13 ***-1465/P4.476* *-1059/P3.231* SECTION 1874.** 71.07 (3w) (a) 3. of the
14 statutes is amended to read:

15 71.07 (3w) (a) 3. "Full-time employee" means a full-time employee, as defined
16 in s. 238.399 (1) (am) or s. 560.799 (1) (am), 2009 stats.

17 ***-1465/P4.477* *-1059/P3.232* SECTION 1875.** 71.07 (3w) (a) 4. of the
18 statutes is amended to read:

19 71.07 (3w) (a) 4. "Enterprise zone" means a zone designated under s. 238.399
20 or s. 560.799, 2009 stats.

21 ***-1465/P4.478* *-1059/P3.233* SECTION 1876.** 71.07 (3w) (a) 5d. of the
22 statutes is amended to read:

23 71.07 (3w) (a) 5d. "Tier I county or municipality" means a tier I county or
24 municipality, as determined by ~~the department of commerce~~ under s. 238.399 or s.
25 560.799, 2009 stats.

1 ***-1465/P4.479* *-1059/P3.234* SECTION 1877.** 71.07 (3w) (a) 5e. of the
2 statutes is amended to read:

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

6 ***-1465/P4.480* *-1059/P3.235* SECTION 1878.** 71.07 (3w) (b) (intro.) of the
7 statutes is amended to read:

8 71.07 (3w) (b) *Filing claims; payroll.* (intro.) Subject to the limitations
9 provided in this subsection and s. 238.399 or s. 560.799, 2009 stats., a claimant may
10 claim as a credit against the tax imposed under s. 71.02 or 71.08 an amount
11 calculated as follows:

12 ***-1465/P4.481* *-1059/P3.236* SECTION 1879.** 71.07 (3w) (b) 5. of the
13 statutes is amended to read:

14 71.07 (3w) (b) 5. Multiply the amount determined under subd. 4. by the
15 percentage determined by the department of commerce under s. 238.399 or s.
16 560.799, 2009 stats., not to exceed 7 percent.

17 ***-1465/P4.482* *-1059/P3.237* SECTION 1880.** 71.07 (3w) (bm) 1. of the
18 statutes is amended to read:

19 71.07 (3w) (bm) 1. In addition to the credits under par. (b) and subds. 2., 3., and
20 4., and subject to the limitations provided in this subsection and s. 238.399 or s.
21 560.799, 2009 stats., a claimant may claim as a credit against the tax imposed under
22 s. 71.02 or 71.08 an amount equal to a percentage, as determined by the department
23 of commerce under s. 238.399 or s. 560.799, 2009 stats., not to exceed 100 percent,
24 of the amount the claimant paid in the taxable year to upgrade or improve the
25 job-related skills of any of the claimant's full-time employees, to train any of the

1 claimant's full-time employees on the use of job-related new technologies, or to
2 provide job-related training to any full-time employee whose employment with the
3 claimant represents the employee's first full-time job. This subdivision does not
4 apply to employees who do not work in an enterprise zone.

5 ***-1465/P4.483* *-1059/P3.238* SECTION 1881.** 71.07 (3w) (bm) 2. of the
6 statutes is amended to read:

7 71.07 (3w) (bm) 2. In addition to the credits under par. (b) and subds. 1., 3., and
8 4., and subject to the limitations provided in this subsection and s. 238.399 or s.
9 560.799, 2009 stats., a claimant may claim as a credit against the tax imposed under
10 s. 71.02 or 71.08 an amount equal to the percentage, as determined ~~by the~~
11 ~~department of commerce~~ under s. 238.399 or s. 560.799, 2009 stats., not to exceed 7
12 percent, of the claimant's zone payroll paid in the taxable year to all of the claimant's
13 full-time employees whose annual wages are greater than \$20,000 in a tier I county
14 or municipality, not including the wages paid to the employees determined under
15 par. (b) 1., or greater than \$30,000 in a tier II county or municipality, not including
16 the wages paid to the employees determined under par. (b) 1., and who the claimant
17 employed in the enterprise zone in the taxable year, if the total number of such
18 employees is equal to or greater than the total number of such employees in the base
19 year. A claimant may claim a credit under this subdivision for no more than 5
20 consecutive taxable years.

21 ***-1465/P4.484* *-1059/P3.239* SECTION 1882.** 71.07 (3w) (bm) 3. of the
22 statutes is amended to read:

23 71.07 (3w) (bm) 3. In addition to the credits under par. (b) and subds. 1., 2., and
24 4., and subject to the limitations provided in this subsection and s. 238.399 or s.
25 560.799, 2009 stats., for taxable years beginning after December 31, 2008, a claimant

1 may claim as a credit against the tax imposed under s. 71.02 or 71.08 up to 10 percent
2 of the claimant's significant capital expenditures, as determined ~~by the department~~
3 ~~of commerce~~ under s. 238.399 (5m) or s. 560.799 (5m), 2009 stats.

4 ***-1465/P4.485* *-1059/P3.240* SECTION 1883.** 71.07 (3w) (bm) 4. of the
5 statutes is amended to read:

6 71.07 (3w) (bm) 4. In addition to the credits under par. (b) and subds. 1., 2., and
7 3., and subject to the limitations provided in this subsection and s. 238.399 or s.
8 560.799, 2009 stats., for taxable years beginning after December 31, 2009, a claimant
9 may claim as a credit against the tax imposed under s. 71.02 or 71.08, up to 1 percent
10 of the amount that the claimant paid in the taxable year to purchase tangible
11 personal property, items, property, or goods under s. 77.52 (1) (b), (c), or (d), or
12 services from Wisconsin vendors, as determined ~~by the department of commerce~~
13 ~~under s. 238.399 (5) (e) or s. 560.799 (5) (e), 2009 stats.~~, except that the claimant may
14 not claim the credit under this subdivision and subd. 3. for the same expenditures.

15 ***-1465/P4.486* *-1059/P3.241* SECTION 1884.** 71.07 (3w) (c) 3. of the statutes
16 is amended to read:

17 71.07 (3w) (c) 3. No credit may be allowed under this subsection unless the
18 claimant includes with the claimant's return a copy of the claimant's certification for
19 tax benefits under s. 238.399 (5) or (5m) or s. 560.799 (5) or (5m), 2009 stats.

20 ***-1465/P4.487* *-1059/P3.242* SECTION 1885.** 71.07 (3w) (d) of the statutes
21 is amended to read:

22 71.07 (3w) (d) *Administration.* Section 71.28 (4) (g) and (h), as it applies to the
23 credit under s. 71.28 (4), applies to the credit under this subsection. Claimants shall
24 include with their returns a copy of their certification for tax benefits, and a copy of

1 the verification of their expenses, from the department of commerce or the Wisconsin
2 Economic Development Corporation.

3 ***-1465/P4.488*** ***-1059/P3.243*** SECTION 1886. 71.07 (5b) (a) 2. of the statutes
4 is amended to read:

5 71.07 (5b) (a) 2. "Fund manager" means an investment fund manager certified
6 under s. 238.15 (2) or s. 560.205 (2), 2009 stats.

7 ***-1465/P4.489*** ***-1059/P3.244*** SECTION 1887. 71.07 (5b) (b) 1. of the statutes
8 is amended to read:

9 71.07 (5b) (b) 1. For taxable years beginning after December 31, 2004, subject
10 to the limitations provided under this subsection and s. 238.15 or s. 560.205, 2009
11 stats., and except as provided in subd. 2., a claimant may claim as a credit against
12 the tax imposed under ss. 71.02 and 71.08, up to the amount of those taxes, 25 percent
13 of the claimant's investment paid to a fund manager that the fund manager invests
14 in a business certified under s. 238.15 (1) or s. 560.205 (1), 2009 stats.

15 ***-1465/P4.490*** ***-1059/P3.245*** SECTION 1888. 71.07 (5b) (b) 2. of the statutes
16 is amended to read:

17 71.07 (5b) (b) 2. In the case of a partnership, limited liability company, or
18 tax-option corporation, the computation of the 25 percent limitation under subd. 1.
19 shall be determined at the entity level rather than the claimant level and may be
20 allocated among the claimants who make investments in the manner set forth in the
21 entity's organizational documents. The entity shall provide to the department of
22 revenue and to the department of commerce or the Wisconsin Economic
23 Development Corporation the names and tax identification numbers of the
24 claimants, the amounts of the credits allocated to the claimants, and the
25 computation of the allocations.

1 ***-0167/P1.1* SECTION 1889.** 71.07 (5b) (d) 3. of the statutes is amended to
2 read:

3 71.07 (**5b**) (d) 3. For ~~calendar years beginning~~ investments made after
4 December 31, 2007, if an investment for which a claimant claims a credit under par.
5 (b) is held by the claimant for less than 3 years, the claimant shall pay to the
6 department, in the manner prescribed by the department, the amount of the credit
7 that the claimant received related to the investment.

8 ***-1465/P4.491* *-1059/P3.246* SECTION 1890.** 71.07 (5d) (a) 1. (intro.) of the
9 statutes is amended to read:

10 71.07 (**5d**) (a) 1. (intro.) "Bona fide angel investment" means a purchase of an
11 equity interest, or any other expenditure, as determined by rule under s. 238.15 or
12 s. 560.205, 2009 stats., that is made by any of the following:

13 ***-0169/P3.1* SECTION 1891.** 71.07 (5d) (a) 2m. of the statutes is amended to
14 read:

15 71.07 (**5d**) (a) 2m. "Person" means a partnership ~~or~~, limited liability company,
16 or tax-option corporation that is a nonoperating entity, as determined by the
17 department of commerce or the Wisconsin Economic Development Corporation, a
18 natural person, or fiduciary.

19 ***-1465/P4.492* *-1059/P3.247* SECTION 1892.** 71.07 (5d) (a) 3. of the statutes
20 is amended to read:

21 71.07 (**5d**) (a) 3. "Qualified new business venture" means a business that is
22 certified under s. 238.15 (1) or s. 560.205 (1), 2009 stats.

23 ***-1465/P4.493* *-1059/P3.248* SECTION 1893.** 71.07 (5d) (b) (intro.) of the
24 statutes is amended to read:

1 71.07 (5d) (b) *Filing claims.* (intro.) Subject to the limitations provided in this
2 subsection and in s. 238.15 or s. 560.205, 2009 stats., a claimant may claim as a credit
3 against the tax imposed under s. 71.02 or 71.08, up to the amount of those taxes, the
4 following:

5 ***-1465/P4.494* *-1059/P3.249* SECTION 1894.** 71.07 (5d) (b) 1. of the statutes
6 is amended to read:

7 71.07 (5d) (b) 1. For taxable years beginning before January 1, 2008, in each
8 taxable year for 2 consecutive years, beginning with the taxable year as certified by
9 the department of commerce or the Wisconsin Economic Development Corporation,
10 an amount equal to 12.5 percent of the claimant's bona fide angel investment made
11 directly in a qualified new business venture.

12 ***-1465/P4.495* *-1059/P3.250* SECTION 1895.** 71.07 (5d) (b) 2. of the statutes
13 is amended to read:

14 71.07 (5d) (b) 2. For taxable years beginning after December 31, 2007, for the
15 taxable year certified by the department of commerce or the Wisconsin Economic
16 Development Corporation, an amount equal to 25 percent of the claimant's bona fide
17 angel investment made directly in a qualified new business venture.

18 ***-1465/P4.496* *-1059/P3.251* SECTION 1896.** 71.07 (5d) (c) 2. of the statutes
19 is amended to read:

20 71.07 (5d) (c) 2. For taxable years beginning before January 1, 2008, the
21 maximum amount of a claimant's investment that may be used as the basis for a
22 credit under this subsection is \$2,000,000 for each investment made directly in a
23 business certified under s. 238.15 (1) or s. 560.205 (1), 2009 stats.

24 ***-0169/P3.2* SECTION 1897.** 71.07 (5d) (c) 3m. of the statutes is amended to
25 read:

1 71.07 (5d) (c) 3m. Partnerships ~~and~~, limited liability companies, and
2 tax-option corporations may not claim the credit under this subsection, but the
3 eligibility for, and the amount of, the credit are based on their payment of amounts
4 under par. (b). A partnership ~~or~~, limited liability company, or tax-option corporation
5 shall compute the amount of credit that each of its partners ~~or~~, members, or
6 shareholders may claim and shall provide that information to each of them. Partners
7 ~~and~~, members of limited liability companies, and shareholders of tax-option
8 corporations may claim the credit in proportion to their ownership interest or as
9 specially allocated in their organizational documents.

10 ***-0167/P1.2* SECTION 1898.** 71.07 (5d) (d) 1. of the statutes is amended to
11 read:

12 71.07 (5d) (d) 1. For ~~calendar years beginning~~ investments made after
13 December 31, 2007, if an investment for which a claimant claims a credit under par.
14 (b) is held by the claimant for less than 3 years, the claimant shall pay to the
15 department, in the manner prescribed by the department, the amount of the credit
16 that the claimant received related to the investment.

17 ***-1465/P4.497* *-1059/P3.252* SECTION 1899.** 71.07 (5f) (a) 1. (intro.) of the
18 statutes is amended to read:

19 71.07 (5f) (a) 1. (intro.) “Accredited production” means a film, video, broadcast
20 advertisement, or television production, as approved by the department of commerce
21 or the department of tourism, for which the aggregate salary and wages included in
22 the cost of the production for the period ending 12 months after the month in which
23 the principal filming or taping of the production begins exceeds \$50,000. “Accredited
24 production” also means an electronic game, as approved by the department of
25 commerce or the department of tourism, for which the aggregate salary and wages

1 included in the cost of the production for the period ending 36 months after the month
2 in which the principal programming, filming, or taping of the production begins
3 exceeds \$100,000. "Accredited production" does not include any of the following,
4 regardless of the production costs:

5 ***-1465/P4.498* *-1059/P3.253* SECTION 1900.** 71.07 (5f) (a) 3. of the statutes
6 is amended to read:

7 71.07 (5f) (a) 3. "Production expenditures" means any expenditures that are
8 incurred in this state and directly used to produce an accredited production,
9 including expenditures for set construction and operation, wardrobes, make-up,
10 clothing accessories, photography, sound recording, sound synchronization, sound
11 mixing, lighting, editing, film processing, film transferring, special effects, visual
12 effects, renting or leasing facilities or equipment, renting or leasing motor vehicles,
13 food, lodging, and any other similar expenditure as determined by the department
14 of commerce or the department of tourism. "Production expenditures" do not include
15 salary, wages, or labor-related contract payments.

16 ***-1465/P4.499* *-1059/P3.254* SECTION 1901.** 71.07 (5f) (c) 6. of the statutes
17 is amended to read:

18 71.07 (5f) (c) 6. No credit may be allowed under this subsection unless the
19 claimant files an application with the department of commerce or the department of
20 tourism, at the time and in the manner prescribed by the department of commerce
21 or the department of tourism, and the department of commerce or the department
22 of tourism approves the application. The claimant shall submit a fee with the
23 application in an amount equal to 2 percent of the claimant's budgeted production
24 expenditures or to \$5,000, whichever is less. The claimant shall submit a copy of the
25 approved application with the claimant's return.

1 ***-1465/P4.500* *-1059/P3.255* SECTION 1902.** 71.07 (5h) (c) 4. of the statutes
2 is amended to read:

3 71.07 (5h) (c) 4. No claim may be allowed under this subsection unless the
4 department of commerce or the department of tourism certifies, in writing, that the
5 credits claimed under this subsection are for expenses related to establishing or
6 operating a film production company in this state and the claimant submits a copy
7 of the certification with the claimant's return.

8 ***-1465/P4.501* *-1059/P3.256* SECTION 1903.** 71.07 (5i) (c) 1. of the statutes
9 is amended to read:

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

13 ***-1465/P4.502* *-0808/2.241* SECTION 1904.** 71.07 (5j) (a) 2d. of the statutes
14 is amended to read:

15 71.07 (5j) (a) 2d. "Diesel replacement renewable fuel" includes biodiesel and
16 any other fuel derived from a renewable resource that meets all of the applicable
17 requirements of the American Society for Testing and Materials for that fuel and that
18 the department of commerce or the department of safety and professional services
19 designates by rule as a diesel replacement renewable fuel.

20 ***-1465/P4.503* *-0808/2.242* SECTION 1905.** 71.07 (5j) (a) 2m. of the statutes
21 is amended to read:

22 71.07 (5j) (a) 2m. "Gasoline replacement renewable fuel" includes ethanol and
23 any other fuel derived from a renewable resource that meets all of the applicable
24 requirements of the American Society for Testing and Materials for that fuel and that

1 the department of commerce or the department of safety and professional services
2 designates by rule as a gasoline replacement renewable fuel.

3 ***-1465/P4.504* *-0808/2.243* SECTION 1906.** 71.07 (5j) (c) 3. of the statutes
4 is amended to read:

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

11 ***-1187/P5.388* SECTION 1907.** 71.07 (5r) (a) 6. a. of the statutes is amended
12 to read:

13 71.07 (5r) (a) 6. a. A University of Wisconsin System institution, the University
14 of Wisconsin-Madison, a technical college system institution, or a regionally
15 accredited 4-year nonprofit college or university having its regional headquarters
16 and principal place of business in this state.

17 ***-1147/1.1* SECTION 1908.** 71.07 (9e) (af) (intro.) of the statutes is amended
18 to read:

19 71.07 (9e) (af) (intro.) For taxable years beginning after December 31, 1995,
20 and before January 1, 2011, any natural person may credit against the tax imposed
21 under s. 71.02 an amount equal to one of the following percentages of the federal
22 basic earned income credit for which the person is eligible for the taxable year under
23 section 32 (b) (1) (A) to (C) of the ~~internal revenue code~~ Internal Revenue Code:

24 ***-1147/1.2* SECTION 1909.** 71.07 (9e) (aj) of the statutes is created to read:

1 71.07 **(9e)** (aj) For taxable years beginning after December 31, 2010, an
2 individual may credit against the tax imposed under s. 71.02 an amount equal to one
3 of the following percentages of the federal basic earned income credit for which the
4 person is eligible for the taxable year under section 32 (b) (1) (A) to (C) of the Internal
5 Revenue Code:

6 1. If the person has one qualifying child who has the same principal place of
7 abode as the person, 5 percent.

8 2. If the person has 2 qualifying children who have the same principal place of
9 abode as the person, 8 percent.

10 3. If the person has 3 or more qualifying children who have the same principal
11 place of abode as the person, 40 percent.

12 ***-0778/3.30*** **SECTION 1910.** 71.10 (3) (title) of the statutes is amended to read:

13 71.10 **(3)** (title) CAMPAIGN FUND FUNDS. BEFORE 2012.

14 ***-0778/3.31*** **SECTION 1911.** 71.10 (3) (c) of the statutes is created to read:

15 71.10 **(3)** (c) This subsection does not apply to a taxable year that begins after
16 December 31, 2011.

17 ***-0778/3.32*** **SECTION 1912.** 71.10 (3e) of the statutes is created to read:

18 71.10 **(3e)** CAMPAIGN FUNDS, AFTER 2011. (a) *Definition.* In this subsection,
19 “department” means the department of revenue.

20 (b) *Voluntary payments.* 1. ‘Designation on return.’ Every individual filing an
21 income tax return who has a tax liability or is entitled to a tax refund may designate
22 on the return \$3 of additional payment or \$3 of a refund due that individual for the
23 Wisconsin election campaign fund and the democracy trust fund for the use of eligible
24 candidates under ss. 11.50 to 11.522. If the individuals filing a joint return have a

1 tax liability or are entitled to a tax refund, each individual may make a designation
2 of \$3 under this subsection.

3 2. 'Designation added to tax owed.' If the individual owes any tax, the
4 individual shall remit in full the tax due and the amount designated on the return
5 for the Wisconsin election campaign fund and the democracy trust fund when the
6 individual files a tax return.

7 3. 'Designation deducted from refund.' Except as provided under par. (d), if the
8 individual is owed a refund for that year after crediting under ss. 71.75 (9) and 71.80
9 (3) and (3m), the department shall deduct the amount designated on the return for
10 the Wisconsin election campaign fund and the democracy trust fund from the amount
11 of the refund.

12 (c) *Errors; failure to remit correct amount.* If an individual who owes taxes fails
13 to remit an amount equal to or in excess of the total of the actual tax due, after error
14 corrections, and the amount designated on the return for the Wisconsin election
15 campaign fund and the democracy trust fund:

16 1. The department shall reduce the designation for the Wisconsin election
17 campaign fund and the democracy trust fund to reflect the amount remitted in excess
18 of the actual tax due, after error corrections, if the individual remitted an amount
19 in excess of the actual tax due, after error corrections, but less than the total of the
20 actual tax due, after error corrections, and the amount originally designated on the
21 return for the Wisconsin election campaign fund and the democracy trust fund.

22 2. The designation for the Wisconsin election campaign fund and the
23 democracy trust fund is void if the individual remitted an amount equal to or less
24 than the actual tax due, after error corrections.

1 (d) *Errors; insufficient refund.* If an individual who is owed a refund which does
2 not equal or exceed the amount designated on the return for the Wisconsin election
3 campaign fund and the democracy trust fund, after crediting under ss. 71.75 (9) and
4 71.80 (3) and (3m) and after error corrections, the department shall reduce the
5 designation for the Wisconsin election campaign fund and the democracy trust fund
6 to reflect the actual amount of the refund the individual is otherwise owed, after
7 crediting under ss. 71.75 (9) and 71.80 (3) and (3m) and after error corrections.

8 (e) *Conditions.* If an individual places any conditions on a designation for the
9 Wisconsin election campaign fund or the democracy trust fund, the designation is
10 void.

11 (f) *Void designation.* If a designation for the Wisconsin election campaign fund
12 and the democracy trust fund is void, the department shall disregard the designation
13 and determine amounts due, owed, refunded, and received without regard to the void
14 designation.

15 (g) *Tax return.* The secretary of revenue shall provide a place for the
16 designations under this subsection on the individual income tax return and, on forms
17 printed by the department, the secretary shall highlight that place on the return by
18 a symbol chosen by the government accountability board that relates to the
19 Wisconsin election campaign fund and the democracy trust fund.

20 (h) *Certification of amounts.* Annually, on or before August 15, the secretary
21 of revenue shall certify to the government accountability board, the department of
22 administration and the state treasurer all of the following:

23 1. The total amount of the administrative costs, including data processing
24 costs, incurred by the department in administering this subsection during the
25 previous fiscal year.

1 2. The total amount received from all designations for the Wisconsin election
2 campaign fund and the democracy trust fund made by taxpayers during the previous
3 fiscal year.

4 3. The net amount remaining after the administrative costs, including data
5 processing costs, under subd. 1. are subtracted from the total received under subd.
6 2.

7 (i) *Confidentiality.* The names of persons making designations under this
8 subsection shall be strictly confidential.

9 (j) *Appropriations.* From the moneys received from designations for the
10 Wisconsin election campaign fund and the democracy trust fund, an amount equal
11 to the sum of administrative expenses, including data processing costs, certified
12 under par. (h) 1. shall be deposited in the general fund and credited to the
13 appropriation under s. 20.566 (1) (hp), and two-thirds of the net amount remaining
14 certified under par. (h) 3. shall be deposited in the democracy trust fund and
15 one-third of the net amount remaining certified under par. (h) 3. shall be deposited
16 in the Wisconsin election campaign fund.

17 (k) *Amounts subject to refund.* Amounts designated for the Wisconsin election
18 campaign fund and the democracy trust fund under this subsection are not subject
19 to refund to the taxpayer unless the taxpayer submits information to the satisfaction
20 of the department, within 18 months after the date taxes are due or the date the
21 return is filed, whichever is later, that the amount designated is clearly in error. Any
22 refund granted by the department under this paragraph shall be deducted from the
23 moneys received under this subsection in the fiscal year that the refund is certified.

24 (L) *Initial applicability.* This subsection first applies to taxable years
25 beginning after December 31, 2011.

1 ***-1187/P5.389* SECTION 1913.** 71.10 (5f) (i) of the statutes is amended to read:

2 71.10 (5f) (i) *Appropriations and payment.* From the moneys received from
3 designations for the breast cancer research program, an amount equal to the sum of
4 administrative expenses, including data processing costs, certified under par. (h) 1.
5 shall be deposited in the general fund and credited to the appropriation account
6 under s. 20.566 (1) (hp), and, of the net amount remaining that is certified under par.
7 (h) 3., an amount equal to 50 percent shall be credited to the appropriation account
8 under s. 20.250 (2) (g) and an amount equal to 50 percent shall be ~~credited to the~~
9 ~~appropriation account under s. 20.285 (1) (gm) paid to the University of~~
10 Wisconsin-Madison for breast cancer research conducted by the University of
11 Wisconsin Carbone Cancer Center.

12 ***-1187/P5.390* SECTION 1914.** 71.10 (5h) (i) of the statutes is amended to read:

13 71.10 (5h) (i) *Appropriations, disbursement of funds to the fund and payment.*
14 From the moneys received from designations for the prostate cancer research
15 program, an amount equal to the sum of administrative expenses, including data
16 processing costs, certified under par. (h) 1. shall be deposited in the general fund and
17 credited to the appropriation account under s. 20.566 (1) (hp), and of the net amount
18 remaining that is certified under par. (h) 3. an amount equal to 50 percent shall be
19 credited to the appropriation ~~accounts~~ account under ~~ss. s.~~ s. 20.250 (2) (h) and ~~20.285~~
20 ~~(1) (gn)~~ and amount equal to 50 percent shall be paid to the University of
21 Wisconsin-Madison, for the use specified under s. 255.054 (1).

22 ***-1357/2.25* SECTION 1915.** 71.125 (1) of the statutes is amended to read:

23 71.125 (1) ~~Except as provided in sub. (2), the tax imposed by this chapter on~~
24 individuals and the rates under s. 71.06 (1), (1m), (1n), (1p), (1q), (1qd), (1qh),
25 (1qL), (1qp), (1qt), and (2) shall apply to the Wisconsin taxable income of estates or

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1 trusts, except nuclear decommissioning trust or reserve funds, and that tax shall be
2 paid by the fiduciary.

3 ***-1357/2.26* SECTION 1916.** 71.125 (2) of the statutes is amended to read:

4 71.125 (2) Each electing small business trust, as defined in section 1361 (e) (1)
5 of the Internal Revenue Code, is subject to tax at the highest rate under s. 71.06 (1),
6 (1m), (1n) ~~or~~, (1p), (1q), (1qd), (1qh), (1qL), (1qp), or (1qt), whichever taxable year is
7 applicable, on its income as computed under section 641 of the Internal Revenue
8 Code, as modified by s. 71.05 (6) to (12), (19) and (20).

9 ***-1357/2.27* SECTION 1917.** 71.17 (6) of the statutes is amended to read:

10 71.17 (6) FUNERAL TRUSTS. If a qualified funeral trust makes the election under
11 section 685 of the Internal Revenue Code for federal income tax purposes, that
12 election applies for purposes of this chapter and each trust shall compute its own tax
13 and shall apply the rates under s. 71.06 (1), (1m), (1n) ~~or~~, (1p), (1q), (1qd), (1qh), (1qL),
14 (1qp), or (1qt).

15 ***-1260/P4.2* SECTION 1918.** 71.22 (4) (um) of the statutes is amended to read:

16 71.22 (4) (um) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34
17 (1g), and 71.42 (2), "Internal Revenue Code," for taxable years that begin after
18 December 31, 2008, means the federal Internal Revenue Code as amended to
19 December 31, 2008, excluding sections 103, 104, and 110 of P.L. 102-227, sections
20 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b),
21 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, sections 1, 3, 4, and 5 of P.L.
22 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573, section 431 of P.L.
23 107-16, sections 101 and 301 (a) of P.L. 107-147, sections 106, 201, and 202 of P.L.
24 108-27, section 1201 of P.L. 108-173, sections 306, 308, 316, 401, and 403 (a) of P.L.
25 108-311, sections 101, 102, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L.

1 108-357, P.L. 109-1, sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328,
2 1329, 1348, and 1351 of P.L. 109-58, section 11146 of P.L. 109-59, section 301 of P.L.
3 109-73, sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e),
4 (j), and (q), and 405 of P.L. 109-135, sections 101, 207, 209, 503, and 513 of P.L.
5 109-222, ~~section 844 of P.L. 109-280~~, P.L. 109-432, P.L. 110-28, P.L. 110-140, P.L.
6 110-141, P.L. 110-142, P.L. 110-166, P.L. 110-172, P.L. 110-185, P.L. 110-234,
7 sections 110, 113, and 301 of P.L. 110-245, P.L. 110-246, except section 15316 of P.L.
8 110-246, P.L. 110-289, P.L. 110-317, P.L. 110-343, except section 301 of division B
9 and section 313 of division C of P.L. 110-343, and P.L. 110-351, and as amendeded by
10 sections 1401, 1402, 1521, 1522, and 1531 of division B of P.L. 111-5, section 301 of
11 P.L. 111-147, and sections 2111, 2112, and 2113 of P.L. 111-240, and as indirectly
12 affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203,
13 P.L. 100-647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and
14 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L.
15 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections
16 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding
17 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.
18 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections
19 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.
20 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.
21 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of
22 P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L.
23 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and 301 (a)
24 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27,
25 excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, P.L. 108-173,

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1 excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311,
2 excluding sections 306, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357,
3 excluding sections 101, 102, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of
4 P.L. 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections
5 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L.
6 109-58, P.L. 109-59, excluding section 11146 of P.L. 109-59, P.L. 109-73, excluding
7 section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it
8 relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L.
9 109-151, P.L. 109-222, excluding sections 101, 207, 209, 503, and 513 of P.L.
10 109-222, P.L. 109-227, P.L. 109-280, ~~excluding section 844 of P.L. 109-280, P.L.~~
11 ~~110-245, excluding sections 110, 113, and 301 of P.L. 110-245, and section 15316 of~~
12 ~~P.L. 110-246, section 301 of division B and section 313 of division C of P.L. 110-343,~~
13 ~~P.L. 110-458, sections 1401, 1402, 1521, 1522, and 1531 of division B of P.L. 111-5,~~
14 ~~section 301 of P.L. 111-147, and sections 2111, 2112, and 2113 of P.L. 111-240.~~ The
15 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal
16 purposes. Amendments to the federal Internal Revenue Code enacted after
17 December 31, 2008, do not apply to this paragraph with respect to taxable years
18 beginning after December 31, 2008, except that changes to the Internal Revenue
19 Code made by sections 1401, 1402, 1521, 1522, and 1531 of division B of P.L. 111-5,
20 section 301 of P.L. 111-147, and sections 2111, 2112, and 2113 of P.L. 111-240, and
21 changes that indirectly affect the provisions applicable to this subchapter made by
22 sections 1401, 1402, 1521, 1522, and 1531 of division B of P.L. 111-5, section 301 of
23 P.L. 111-147, and sections 2111, 2112, and 2113 of P.L. 111-240, apply for Wisconsin
24 purposes at the same time as for federal purposes.

1 ***-1260/P4.3*** SECTION 1919. 71.22 (4m) (sm) of the statutes is amended to
2 read:

3 71.22 (4m) (sm) For taxable years that begin after December 31, 2008,
4 “Internal Revenue Code,” for corporations that are subject to a tax on unrelated
5 business income under s. 71.26 (1) (a), means the federal Internal Revenue Code as
6 amended to December 31, 2008, excluding sections 103, 104, and 110 of P.L. 102-227,
7 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections
8 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, sections 1, 3, 4, and
9 5 of P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573, section 431 of
10 P.L. 107-16, sections 101 and 301 (a) of P.L. 107-147, sections 106, 201, and 202 of
11 P.L. 108-27, section 1201 of P.L. 108-173, sections 306, 308, 316, 401, and 403 (a) of
12 P.L. 108-311, sections 101, 102, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910
13 of P.L. 108-357, P.L. 109-1, sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326,
14 1328, 1329, 1348, and 1351 of P.L. 109-58, section 11146 of P.L. 109-59, section 301
15 of P.L. 109-73, sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403
16 (e), (j), and (q), and 405 of P.L. 109-135, sections 101, 207, 209, 503, and 513 of P.L.
17 109-222, ~~section 844 of P.L. 109-280~~, P.L. 109-432, P.L. 110-28, P.L. 110-140, P.L.
18 110-141, P.L. 110-142, P.L. 110-166, P.L. 110-172, P.L. 110-185, P.L. 110-234,
19 sections 110, 113, and 301 of P.L. 110-245, P.L. 110-246, except section 15316 of P.L.
20 110-246, P.L. 110-289, P.L. 110-317, P.L. 110-343, except section 301 of division B
21 and section 313 of division C of P.L. 110-343, and P.L. 110-351, and as amended by
22 sections 1401, 1402, 1521, 1522, and 1531 of division B of P.L. 111-5, section 301 of
23 P.L. 111-147, and sections 2111, 2112, and 2113 of P.L. 111-240, and as indirectly
24 affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203,
25 P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508,

SECTION 1919

1 P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.
2 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and
3 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L.
4 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
5 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L.
6 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554,
7 excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding
8 section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147,
9 excluding sections 101 and 301 (a) of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L.
10 107-276, P.L. 107-358, P.L. 108-27, excluding sections 106, 201, and 202 of P.L.
11 108-27, P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L.
12 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 308, 316, 401, and 403
13 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 102, 201, 211, 242, 244, 336,
14 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7,
15 P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328,
16 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-59, excluding section 11146 of P.L.
17 109-59, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding
18 sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and
19 (q), and 405 of P.L. 109-135, P.L. 109-151, P.L. 109-222, excluding sections 101, 207,
20 209, 503, and 513 of P.L. 109-222, P.L. 109-227, and P.L. 109-280, ~~excluding section~~
21 ~~844 of P.L. 109-280~~, P.L. 110-245, excluding sections 110, 113, and 301 of P.L.
22 110-245, and section 15316 of P.L. 110-246, section 301 of division B and section 313
23 of division C of P.L. 110-343, P.L. 110-458, sections 1401, 1402, 1521, 1522, and 1531
24 of division B of P.L. 111-5, section 301 of P.L. 111-147, and sections 2111, 2112, and
25 2113 of P.L. 111-240. The Internal Revenue Code applies for Wisconsin purposes at

1 the same time as for federal purposes. Amendments to the Internal Revenue Code
2 enacted after December 31, 2008, do not apply to this paragraph with respect to
3 taxable years beginning after December 31, 2008, except that changes to the
4 Internal Revenue Code made by sections 1401, 1402, 1521, 1522, and 1531 of division
5 B of P.L. 111-5, section 301 of P.L. 111-147, and sections 2111, 2112, and 2113 of P.L.
6 111-240, and changes that indirectly affect the provisions applicable to this
7 subchapter made by sections 1401, 1402, 1521, 1522, and 1531 of division B of P.L.
8 111-5, section 301 of P.L. 111-147, and sections 2111, 2112, and 2113 of P.L. 111-240,
9 apply for Wisconsin purposes at the same time as for federal purposes.

10 ***-1051/P2.1*** SECTION 1920. 71.255 (2m) (d) of the statutes is amended to read:

11 71.255 (2m) (d) The department shall may not disregard the tax effect of an
12 election under this subsection, or disallow the election, with respect to any controlled
13 group member or members for any year of the election period, ~~if the department~~
14 ~~determines that the election has the effect of tax avoidance.~~

15 ***-1003/P4.1*** SECTION 1921. 71.255 (6) (a) of the statutes is amended to read:

16 71.255 (6) (a) Except as provided in pars. (b) ~~and~~, (c), and (d), no tax credit,
17 Wisconsin net business loss carry-forward, or other post-apportionment deduction
18 earned by one member of the combined group, but not fully used by or allowed to that
19 member, may be used in whole or in part by another member of the combined group
20 or applied in whole or in part against the total income of the combined group. A
21 member of a combined group may use a carry-forward of a credit, Wisconsin net
22 business loss carry-forward, or other post-apportionment deduction otherwise
23 allowable under s. 71.26 or 71.45, that was incurred by that same member in a
24 taxable year beginning before January 1, 2009.

25 ***-1003/P4.2*** SECTION 1922. 71.255 (6) (d) of the statutes is created to read:

1 71.255 (6) (d) 1. Starting with the first taxable year beginning after December
2 31, 2011, and for each of the 20 subsequent taxable years, and subject to the
3 limitations provided under s. 71.26 (3) (n), for each taxable year that a corporation
4 that is a member of a combined group has net business loss carry-forward as
5 computed under s. 71.26 (4) or 71.45 (4) from a taxable year beginning prior to
6 January 1, 2009, the corporation may, after using such net business loss
7 carry-forward to offset its own income for the taxable year, use up to 5 percent of the
8 remaining net business loss carry-forward to offset the income of all other members
9 of the combined group on a proportionate basis, to the extent such income is
10 attributable to the unitary business. If the full 5 percent of such net business loss
11 carry-forward cannot be fully used to offset the income of all other members of the
12 combined group, the remainder may be added to the portion that may offset the
13 income of all other members of the combined group in the subsequent year.

14 2. Unless otherwise provided by the department by rule, if the corporation may
15 no longer be included in the combined group, as determined under this section, the
16 corporation's net business loss carry-forward shall be available only to that
17 corporation.

18 3. The department shall promulgate rules to administer this paragraph.

19 *-1187/P5.391* SECTION 1923. 71.26 (1) (be) of the statutes, as affected by 2011
20 Wisconsin Act 7, is amended to read:

21 71.26 (1) (be) *Certain authorities.* Income of the University of Wisconsin
22 Hospitals and Clinics Authority, of the University of Wisconsin-Madison, of the
23 Health Insurance Risk-Sharing Plan Authority, of the Wisconsin Quality Home
24 Care Authority, of the Fox River Navigational System Authority, of the Wisconsin
25 Economic Development Corporation, and of the Wisconsin Aerospace Authority.

****NOTE: You instructed us to include the corporate tax exemption in s. 71.26 (1) (b) (political units). However, because the UW is created as an authority, the above exemption is appropriate.

1 ***-0687/P1.2* SECTION 1924.** 71.26 (1m) (L) of the statutes is created to read:

2 71.26 (1m) (L) Those issued under s. 231.03 (6), if the bonds or notes are issued
3 to a person who is eligible to receive bonds or notes from another issuer for the same
4 purpose for which the person is issued bonds or notes under s. 231.03 (6) and the
5 interest income received from the other bonds or notes is exempt from taxation under
6 this subchapter.

7 ***-1260/P4.4* SECTION 1925.** 71.26 (2) (b) 22. of the statutes is amended to read:

8 71.26 (2) (b) 22. For taxable years that begin after December 31, 2008, for a
9 corporation, conduit, or common law trust which qualifies as a regulated investment
10 company, real estate mortgage investment conduit, real estate investment trust, or
11 financial asset securitization investment trust under the Internal Revenue Code as
12 amended to December 31, 2008, excluding sections 103, 104, and 110 of P.L. 102-227,
13 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections
14 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, sections 1, 3, 4, and
15 5 of P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573, section 431 of
16 P.L. 107-16, sections 101 and 301 (a) of P.L. 107-147, sections 106, 201, and 202 of
17 P.L. 108-27, section 1201 of P.L. 108-173, sections 306, 308, 316, 401, and 403 (a) of
18 P.L. 108-311, sections 101, 102, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910
19 of P.L. 108-357, P.L. 109-1, sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326,
20 1328, 1329, 1348, and 1351 of P.L. 109-58, section 11146 of P.L. 109-59, section 301
21 of P.L. 109-73, sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403
22 (e), (j), and (q), and 405 of P.L. 109-135, sections 101, 207, 209, 503, and 513 of P.L.
23 109-222, ~~section 844 of P.L. 109-280, P.L. 109-432, P.L. 110-28, P.L. 110-140, P.L.~~

SECTION 1925

1 110-141, P.L. 110-142, P.L. 110-166, P.L. 110-172, P.L. 110-185, P.L. 110-234,
2 sections 110, 113, and 301 of P.L. 110-245, P.L. 110-246, except section 15316 of P.L.
3 110-246, P.L. 110-289, P.L. 110-317, P.L. 110-343, except section 301 of division B
4 and section 313 of division C of P.L. 110-343, and P.L. 110-351, and as amended by
5 sections 1401, 1402, 1521, 1522, and 1531 of division B of P.L. 111-5, section 301 of
6 P.L. 111-147, and sections 2111, 2112, and 2113 of P.L. 111-240, and as indirectly
7 affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203,
8 P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508,
9 P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.
10 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and
11 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L.
12 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
13 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L.
14 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554,
15 excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding
16 section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147,
17 excluding sections 101 and 301 (a) of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L.
18 107-276, P.L. 107-358, P.L. 108-27, excluding sections 106, 201, and 202 of P.L.
19 108-27, P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L.
20 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 308, 316, 401, and 403
21 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 102, 201, 211, 242, 244, 336,
22 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7,
23 P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328,
24 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-59, excluding section 11146 of P.L.
25 109-59, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding