108-27, P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 102, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-59, excluding section 11146 of P.L. 109-59, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-151, P.L. 109-222, excluding sections 101, 207, 209, 503, and 513 of P.L. 109-222, P.L. 109-227, and P.L. 109-280, ~~excluding section 844 of P.L. 109-280,~~ P.L. 110-245, excluding sections 110, 113, and 301 of P.L. 110-245, ~~and~~ section 15316 of P.L. 110-246, section 301 of division B and section 313 of division C of P.L. 110-343, P.L. 110-458, sections 1401, 1402, 1521, 1522, and 1531 of division B of P.L. 111-5, section 301 of P.L. 111-147, and sections 2111, 2112, and 2113 of P.L. 111-240,. The Internal Revenue Code applies for Wisconsin purposes at the same time as for federal purposes. Amendments to the Internal Revenue Code enacted after December 31, 2008, do not apply to this paragraph with respect to taxable years beginning after December 31, 2008, except that changes to the Internal Revenue Code made by sections 1401, 1402, 1521, 1522, and 1531 of division B of P.L. 111-5, section 301 of P.L. 111-147, and sections 2111, 2112, and 2113 of P.L. 111-240, and changes that indirectly affect the provisions applicable to this subchapter made by sections 1401, 1402, 1521, 1522, and 1531 of division B of P.L. 111-5, section 301 of P.L. 111-147, and sections 2111, 2112, and 2113 of P.L. 111-240, apply for Wisconsin purposes at the same time as for federal purposes.

***-1051/P2.1* SECTION 1893.** 71.255 (2m) (d) of the statutes is amended to read:

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

***-1003/P4.1* SECTION 1894.** 71.255 (6) (a) of the statutes is amended to read:

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

***-1003/P4.2* SECTION 1895.** 71.255 (6) (d) of the statutes is created to read:

71.255 **(6)** (d) 1. Starting with the first taxable year beginning after December 31, 2011, and for each of the 20 subsequent taxable years, and subject to the limitations provided under s. 71.26 (3) (n), for each taxable year that a corporation that is a member of a combined group has net business loss carry-forward as computed under s. 71.26 (4) or 71.45 (4) from a taxable year beginning prior to January 1, 2009, the corporation may, after using such net business loss carry-forward to offset its own income for the taxable year, use up to 5 percent of the remaining net business loss carry-forward to offset the income of all other members of the combined group on a proportionate basis, to the extent such income is attributable to the unitary business. If the full 5 percent of such net business loss

carry-forward cannot be fully used to offset the income of all other members of the combined group, the remainder may be added to the portion that may offset the income of all other members of the combined group in the subsequent year.

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

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

***-1187/P5.391* SECTION 1896.** 71.26 (1) (be) of the statutes, as affected by 2011 Wisconsin Act 7, is amended to read:

71.26 **(1)** (be) *Certain authorities.* Income of the University of Wisconsin Hospitals and Clinics Authority, <u>of the University of Wisconsin-Madison,</u> of the Health Insurance Risk-Sharing Plan Authority, of the Wisconsin Quality Home Care Authority, of the Fox River Navigational System Authority, of the Wisconsin 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.

***-0687/P1.2* SECTION 1897.** 71.26 (1m) (L) of the statutes is created to read:

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

***-1260/P4.4* SECTION 1898.** 71.26 (2) (b) 22. of the statutes is amended to read:

71.26 **(2)** (b) 22. For taxable years that begin after December 31, 2008, for a corporation, conduit, or common law trust which qualifies as a regulated investment company, real estate mortgage investment conduit, real estate investment trust, or financial asset securitization investment trust under the Internal Revenue Code as amended to December 31, 2008, excluding sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, sections 1, 3, 4, and 5 of P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573, section 431 of P.L. 107-16, sections 101 and 301 (a) of P.L. 107-147, sections 106, 201, and 202 of P.L. 108-27, section 1201 of P.L. 108-173, sections 306, 308, 316, 401, and 403 (a) of P.L. 108-311, sections 101, 102, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 109-1, sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, section 11146 of P.L. 109-59, section 301 of P.L. 109-73, sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, sections 101, 207, 209, 503, and 513 of P.L. 109-222, ~~section 844 of P.L. 109-280,~~ P.L. 109-432, P.L. 110-28, P.L. 110-140, P.L. 110-141, P.L. 110-142, P.L. 110-166, P.L. 110-172, P.L. 110-185, P.L. 110-234, sections 110, 113, and 301 of P.L. 110-245, P.L. 110-246, <u>except section 15316 of P.L. 110-246,</u> P.L. 110-289, P.L. 110-317, P.L. 110-343, <u>except section 301 of division B and section 313 of division C of P.L. 110-343,</u> and P.L. 110-351, <u>and as amended by sections 1401, 1402, 1521, 1522, and 1531 of division B of P.L. 111-5, section 301 of P.L. 111-147, and sections 2111, 2112, and 2113 of P.L. 111-240,</u> and as indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.

102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 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. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and 301 (a) 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, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 102, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-59, excluding section 11146 of P.L. 109-59, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-151, P.L. 109-222, excluding sections 101, 207, 209, 503, and 513 of P.L. 109-222, P.L. 109-227, P.L. 109-280, ~~excluding section 844 of P.L. 109-280,~~ P.L. 110-245, excluding sections 110, 113, and 301 of P.L. 110-245, ~~and~~ section 15316 of P.L. 110-246, section 301 of division B and section 313 of division C of P.L. 110-343, P.L. 110-458, sections 1401, 1402, 1521, 1522, and 1531 of division B of P.L. 111-5, section 301 of P.L. 111-147, and sections 2111, 2112, and 2113 of P.L. 111-240, "net income" means the federal regulated investment company taxable income, federal real estate mortgage investment conduit taxable income, federal real

estate investment trust or financial asset securitization investment trust taxable income of the corporation, conduit, or trust as determined under the Internal Revenue Code as amended to December 31, 2008, excluding sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, sections 1, 3, 4, and 5 of P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573, section 431 of P.L. 107-16, sections 101 and 301 (a) of P.L. 107-147, sections 106, 201, and 202 of P.L. 108-27, section 1201 of P.L. 108-173, sections 306, 308, 316, 401, and 403 (a) of P.L. 108-311, sections 101, 102, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 109-1, sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, section 11146 of P.L. 109-59, section 301 of P.L. 109-73, sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, sections 101, 207, 209, 503, and 513 of P.L. 109-222, ~~section 844 of P.L. 109-280,~~ P.L. 109-432, P.L. 110-28, P.L. 110-140, P.L. 110-141, P.L. 110-142, P.L. 110-166, P.L. 110-172, P.L. 110-185, P.L. 110-234, sections 110, 113, and 301 of P.L. 110-245, P.L. 110-246, <u>except section 15316 of P.L. 110-246,</u> P.L. 110-289, P.L. 110-317, P.L. 110-343, <u>except section 301 of division B and section 313 of division C of P.L. 110-343,</u> and P.L. 110-351, <u>and as amended by sections 1401, 1402, 1521, 1522, and 1531 of division B of P.L. 111-5, section 301 of P.L. 111-147, and sections 2111, 2112, and 2113 of P.L. 111-240,</u> and as indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 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. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and 301 (a) 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, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 102, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-59, excluding section 11146 of P.L. 109-59, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-151, P.L. 109-222, excluding sections 101, 207, 209, 503, and 513 of P.L. 109-222, P.L. 109-227, P.L. 109-280, ~~excluding section 844 of P.L. 109-280,~~ P.L. 110-245, excluding sections 110, 113, and 301 of P.L. 110-245, ~~and~~ section 15316 of P.L. 110-246, section 301 of division B and section 313 of division C of P.L. 110-343, P.L. 110-458, sections 1401, 1402, 1521, 1522, and 1531 of division B of P.L. 111-5, section 301 of P.L. 111-147, and sections 2111, 2112, and 2113 of P.L. 111-240, except that property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be depreciated for taxable years 1983 to 1986 under the Internal Revenue Code as amended to December 31, 1980, shall continue to be depreciated under the Internal Revenue Code as amended to December 31, 1980, and except that

the appropriate amount shall be added or subtracted to reflect differences between the depreciation or adjusted basis for federal income tax purposes and the depreciation or adjusted basis under this chapter of any property disposed of during the taxable year. The Internal Revenue Code as amended to December 31, 2008, excluding sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, sections 1, 3, 4, and 5 of P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573, section 431 of P.L. 107-16, sections 101 and 301 (a) of P.L. 107-147, sections 106, 201, and 202 of P.L. 108-27, section 1201 of P.L. 108-173, sections 306, 308, 316, 401, and 403 (a) of P.L. 108-311, sections 101, 102, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 109-1, sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, section 11146 of P.L. 109-59, section 301 of P.L. 109-73, sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, sections 101, 207, 209, 503, and 513 of P.L. 109-222, ~~section 844 of P.L. 109-280,~~ P.L. 109-432, P.L. 110-28, P.L. 110-140, P.L. 110-141, P.L. 110-142, P.L. 110-166, P.L. 110-172, P.L. 110-185, P.L. 110-234, sections 110, 113, and 301 of P.L. 110-245, P.L. 110-246, except section 15316 of P.L. 110-246, P.L. 110-289, P.L. 110-317, P.L. 110-343, except section 301 of division B and section 313 of division C of P.L. 110-343, and P.L. 110-351, and as amended by sections 1401, 1402, 1521, 1522, and 1531 of division B of P.L. 111-5, section 301 of P.L. 111-147, and sections 2111, 2112, and 2113 of P.L. 111-240, and as indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections

13113, 13150 (d), 13171 (d), 13174, and 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. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and 301 (a) 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, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 102, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-59, excluding section 11146 of P.L. 109-59, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-151, P.L. 109-222, excluding sections 101, 207, 209, 503, and 513 of P.L. 109-222, P.L. 109-227, P.L. 109-280, ~~excluding section 844 of P.L. 109-280,~~ P.L. 110-245, excluding sections 110, 113, and 301 of P.L. 110-245, ~~and~~ section 15316 of P.L. 110-246, section 301 of division B and section 313 of division C of P.L. 110-343, P.L. 110-458, sections 1401, 1402, 1521, 1522, and 1531 of division B of P.L. 111-5, section 301 of P.L. 111-147, and sections 2111, 2112, and 2113 of P.L. 111-240, applies for Wisconsin purposes at the same time as for federal purposes. Amendments to the Internal Revenue Code enacted after December 31, 2008, do not apply to this

subdivision with respect to taxable years that begin after December 31, 2008, except that changes to the Internal Revenue Code made by sections 1401, 1402, 1521, 1522, and 1531 of division B of P.L. 111-5, section 301 of P.L. 111-147, and sections 2111, 2112, and 2113 of P.L. 111-240, and changes that indirectly affect the provisions applicable to this subchapter made by sections 1401, 1402, 1521, 1522, and 1531 of division B of P.L. 111-5, section 301 of P.L. 111-147, and sections 2111, 2112, and 2113 of P.L. 111-240, apply for Wisconsin purposes at the same time as for federal purposes.

***-1465/P4.505* *-1059/P3.257* SECTION 1899.** 71.28 (1dd) (b) of the statutes is amended to read:

71.28 **(1dd)** (b) Except as provided in s. 73.03 (35), for any taxable year for which that person is certified under s. 560.765 (3), 2009 stats., and begins business operations in a zone under s. 560.71, 2009 stats., after July 29, 1995, entitled under s. 560.795 (3) (a), 2009 stats., and begins business operations in a zone under s. 560.795, 2009 stats., after July 29, 1995, or certified under s. 560.797 (4) (a), 2009 stats., for each zone for which the person is certified or entitled a person may credit against taxes otherwise due under this subchapter employment-related day care expenses, up to $1,200 for each qualifying individual.

***-1465/P4.506* *-1059/P3.258* SECTION 1900.** 71.28 (1dd) (e) of the statutes is amended to read:

71.28 **(1dd)** (e) The credit under this subsection, as it applies to a person certified under s. 560.765 (3), 2009 stats., applies to a corporation that conducts economic activity in a zone under s. 560.795 (1), 2009 stats., and that is entitled to tax benefits under s. 560.795 (3), 2009 stats., subject to the limits under s. 560.795

(2), 2009 stats. A credit under this subsection may be credited using expenses incurred by a claimant on July 29, 1995.

***-1465/P4.507* *-1059/P3.259* SECTION 1901.** 71.28 (1de) (a) (intro.) of the statutes is amended to read:

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

***-1465/P4.508* *-1059/P3.260* SECTION 1902.** 71.28 (1de) (a) 1. of the statutes is amended to read:

71.28 **(1de)** (a) 1. Begins the work, other than planning and investigating, for which the credit is claimed after the area that includes the site where the work is done is designated a development zone under s. 560.71, 2009 stats., a development opportunity zone under s. 560.795, 2009 stats., or an enterprise development zone under s. 560.797, 2009 stats., and after the claimant is certified under s. 560.765 (3), 2009 stats., entitled under s. 560.795 (3) (a), 2009 stats., or certified under s. 560.797 (4) (a), 2009 stats.

***-1465/P4.509* *-1059/P3.261* SECTION 1903.** 71.28 (1de) (d) of the statutes is amended to read:

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

***-1465/P4.510* *-1059/P3.262* SECTION 1904.** 71.28 (1di) (a) (intro.) of the statutes is amended to read:

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

***-1465/P4.511* *-1059/P3.263* SECTION 1905.** 71.28 (1di) (a) 1. of the statutes is amended to read:

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

***-1465/P4.512* *-1059/P3.264* SECTION 1906.** 71.28 (1di) (b) 2. of the statutes is amended to read:

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

***-1465/P4.513* *-1059/P3.265* SECTION 1907.** 71.28 (1di) (b) 3. of the statutes is amended to read:

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

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

***-1465/P4.514* *-1059/P3.266* SECTION 1908.** 71.28 (1di) (d) 1. of the statutes is amended to read:

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

***-1465/P4.515* *-1059/P3.267* SECTION 1909.** 71.28 (1di) (f) of the statutes is amended to read:

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

***-1465/P4.516* *-1059/P3.268* SECTION 1910.** 71.28 (1di) (g) of the statutes is amended to read:

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

***-1465/P4.517* *-1059/P3.269* SECTION 1911.** 71.28 (1di) (i) of the statutes is amended to read:

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

***-1465/P4.518* *-1059/P3.270* SECTION 1912.** 71.28 (1dj) (am) (intro.) of the statutes is amended to read:

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

***-1465/P4.519* *-1059/P3.271* SECTION 1913.** 71.28 (1dj) (am) 4. a. of the statutes is amended to read:

71.28 **(1dj)** (am) 4. a. If certified under s. 560.765 (3), 2009 stats., for tax benefits before January 1, 1992, modify "qualified wages" as defined in section 51 (b) of the internal revenue code to exclude wages paid before the claimant is certified for tax benefits and to exclude wages that are paid to employees for work at any location that is not in a development zone under subch. VI of ch. 560, 2009 stats. For purposes

of this subd. 4. a., mobile employees work at their base of operations and leased or rented employees work at the location where they perform services.

***-1465/P4.520* *-1059/P3.272* SECTION 1914.** 71.28 (1dj) (am) 4. b. of the statutes is amended to read:

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

***-1465/P4.521* *-1059/P3.273* SECTION 1915.** 71.28 (1dj) (am) 4c. of the statutes is amended to read:

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

***-1465/P4.522* *-1059/P3.274* SECTION 1916.** 71.28 (1dj) (am) 4t. of the statutes is amended to read:

71.28 **(1dj)** (am) 4t. If certified under s. 560.765 (3), 2009 stats., for tax benefits before January 1, 1992, modify section 51 (i) (3) of the internal revenue code so that for leased or rented employees, except employees of a leasing agency certified for tax benefits who perform services directly for the agency in a development zone, the minimum employment periods apply to the time that they perform services in a

development zone for a single lessee or renter, not to their employment by the leasing agency.

***-1465/P4.523* *-1059/P3.275* SECTION 1917.** 71.28 (1dj) (e) 1. of the statutes is amended to read:

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

***-1465/P4.524* *-1059/P3.276* SECTION 1918.** 71.28 (1dj) (e) 3. a. of the statutes is amended to read:

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

***-1465/P4.525* *-1059/P3.277* SECTION 1919.** 71.28 (1dj) (e) 3. b. of the statutes is amended to read:

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

***-1465/P4.526* *-1059/P3.278* SECTION 1920.** 71.28 (1dj) (i) of the statutes is amended to read:

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

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

***-1465/P4.527* *-1059/P3.279* SECTION 1921.** 71.28 (1dL) (a) of the statutes is amended to read:

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

***-1465/P4.528* *-1059/P3.280* SECTION 1922.** 71.28 (1dL) (ag) of the statutes is amended to read:

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

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

***-1465/P4.529* *-1059/P3.281* SECTION 1923.** 71.28 (1dL) (ar) of the statutes is amended to read:

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

***-1465/P4.530* *-1059/P3.282* SECTION 1924.** 71.28 (1dL) (bm) of the statutes is amended to read:

71.28 **(1dL)** (bm) In calculating the credit under par. (a) a claimant shall reduce the amount expended to acquire property by a percentage equal to the percentage of the area of the real property not used for the purposes for which the claimant is certified to claim tax benefits under s. 560.765 (3), 2009 stats., and shall reduce the amount expended for other purposes by the amount expended on the part of the property not used for the purposes for which the claimant is certified to claim tax benefits under s. 560.765 (3), 2009 stats.

***-1465/P4.531* *-1059/P3.283* SECTION 1925.** 71.28 (1dL) (c) of the statutes is amended to read:

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

***-1465/P4.532* *-1059/P3.284* SECTION 1926.** 71.28 (1dL) (i) of the statutes is amended to read:

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

***-1465/P4.533* *-1059/P3.285* SECTION 1927.** 71.28 (1dm) (a) 1. of the statutes is amended to read:

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

***-1465/P4.534* *-1059/P3.286* SECTION 1928.** 71.28 (1dm) (a) 3. of the statutes is amended to read:

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

***-1465/P4.535* *-1059/P3.287* SECTION 1929.** 71.28 (1dm) (a) 4. of the statutes is amended to read:

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

***-1465/P4.536* *-1059/P3.288* SECTION 1930.** 71.28 (1dm) (f) 1. of the statutes is amended to read:

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

***-1465/P4.537* *-1059/P3.289* SECTION 1931.** 71.28 (1dm) (f) 2. of the statutes is amended to read:

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

***-1465/P4.538* *-1059/P3.290* SECTION 1932.** 71.28 (1dm) (i) of the statutes is amended to read:

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

***-1465/P4.539* *-1059/P3.291* SECTION 1933.** 71.28 (1dm) (j) of the statutes is amended to read:

71.28 **(1dm)** (j) If a person who is entitled under s. 238.395 (3) (a) 4. or s. 560.795 (3) (a) 4., 2009 stats., to claim tax benefits becomes ineligible for such tax benefits, or if a person's certification under s. 238.395 (5), 238.398 (3), or 238.3995 (4) or s.

560.795 (5), 2009 stats., s. 560.798 (3), 2009 stats., or s. 560.7995 (4), 2009 stats., is revoked, that person may claim no credits under this subsection for the taxable year that includes the day on which the person becomes ineligible for tax benefits, the taxable year that includes the day on which the certification is revoked, or succeeding taxable years, and that person may carry over no unused credits from previous years to offset tax under this chapter for the taxable year that includes the day on which the person becomes ineligible for tax benefits, the taxable year that includes the day on which the certification is revoked, or succeeding taxable years.

***-1465/P4.540* *-1059/P3.292* SECTION 1934.** 71.28 (1dm) (k) of the statutes is amended to read:

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

***-1465/P4.541* *-1059/P3.293* SECTION 1935.** 71.28 (1ds) (a) 1. of the statutes is amended to read:

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

***-1465/P4.542* *-1059/P3.294* SECTION 1936.** 71.28 (1ds) (b) of the statutes is amended to read:

71.28 **(1ds)** (b) Except as provided in pars. (dm) and (e) and s. 73.03 (35), for any taxable year for which the person is certified under s. 560.765 (3), 2009 stats., for tax benefits, any person may claim as a credit against taxes otherwise due under this chapter the taxes paid under subchs. III and V of ch. 77 on their purchases, leases and rentals of eligible property. Partnerships, limited liability companies and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of, that credit shall be determined on the basis of their economic activity, not that of their partners, members or shareholders. The partnership, limited liability company or corporation shall compute the amount of credit that may be claimed by each of its partners, members or shareholders and shall provide that information to its partners, members or shareholders. Partners, members of limited liability companies and shareholders of tax-option corporations may claim the credit based on the partnership's, company's or corporation's activities in proportion to their ownership interest.

***-1465/P4.543* *-1059/P3.295* SECTION 1937.** 71.28 (1ds) (d) 1. of the statutes is amended to read:

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

***-1465/P4.544* *-1059/P3.296* SECTION 1938.** 71.28 (1ds) (i) of the statutes is amended to read:

71.28 **(1ds)** (i) The development zones credit under this subsection, as it applies to a person certified under s. 560.765 (3), 2009 stats., applies to a corporation that conducts economic activity in a development opportunity zone under s. 560.795 (1), 2009 stats., and that is entitled to tax benefits under s. 560.795 (3), 2009 stats., subject to the limits under s. 560.795 (2), 2009 stats. A development opportunity

zone credit under this paragraph may be calculated using expenses incurred by a claimant beginning on the effective date under s. 560.795 (2) (a), 2009 stats., of the development opportunity zone designation of the area in which the claimant conducts economic activity.

***-1465/P4.545* *-1059/P3.297* SECTION 1939.** 71.28 (1dx) (a) 2. of the statutes is amended to read:

71.28 **(1dx)** (a) 2. "Development zone" means a development zone under s. 238.30 or s. 560.70, 2009 stats., a development opportunity zone under s. 238.395 or s. 560.795, 2009 stats., an enterprise development zone under s. 238.397 or s. 560.797, 2009 stats., an agricultural development zone under s. 238.398 or s. 560.798, 2009 stats., or an airport development zone under s. 238.3995 or s. 560.7995, 2009 stats.

***-1195/2.127* SECTION 1940.** 71.28 (1dx) (a) 5. of the statutes is amended to read:

71.28 **(1dx)** (a) 5. "Member of a targeted group" means a person who resides in an area designated by the federal government as an economic revitalization area, a person who is employed in an unsubsidized job but meets the eligibility requirements under s. 49.145 (2) and (3) for a Wisconsin Works employment position, a person who is employed in a trial job, as defined in s. 49.141 (1) (n), or in a real work, real pay project position under s. 49.147 (3m), a person who is eligible for child care assistance under s. 49.155, a person who is a vocational rehabilitation referral, an economically disadvantaged youth, an economically disadvantaged veteran, a supplemental security income recipient, a general assistance recipient, an economically disadvantaged ex-convict, a qualified summer youth employee, as defined in 26 USC 51 (d) (7), a dislocated worker, as defined in 29 USC 2801 (9), or

a ~~food stamp~~ recipient of benefits under the supplemental nutrition assistance program under 7 USC 2011 to 2036, if the person has been certified in the manner under sub. (1dj) (am) 3. by a designated local agency, as defined in sub. (1dj) (am) 2.

***-1465/P4.546* *-1059/P3.298* SECTION 1941.** 71.28 (1dx) (b) (intro.) of the statutes is amended to read:

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

***-1465/P4.547* *-1059/P3.299* SECTION 1942.** 71.28 (1dx) (b) 2. of the statutes is amended to read:

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

***-1465/P4.548* *-1059/P3.300* SECTION 1943.** 71.28 (1dx) (b) 3. of the statutes is amended to read:

71.28 **(1dx)** (b) 3. The amount determined by multiplying the amount determined under s. 238.385 (1) (c) or s. 560.785 (1) (c), 2009 stats., by the number of full-time jobs created in a development zone and not filled by a member of a

targeted group and by then subtracting the subsidies paid under s. 49.147 (3) (a) or the subsidies and reimbursements paid under s. 49.147 (3m) (c) for those jobs.

***-1465/P4.549* *-1059/P3.301* SECTION 1944.** 71.28 (1dx) (b) 4. of the statutes is amended to read:

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

***-1465/P4.550* *-1059/P3.302* SECTION 1945.** 71.28 (1dx) (b) 5. of the statutes is amended to read:

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

***-1465/P4.551* *-1059/P3.303* SECTION 1946.** 71.28 (1dx) (be) of the statutes is amended to read:

71.28 **(1dx)** (be) *Offset.* A claimant in a development zone under s. 238.395 (1) (e) or s. 560.795 (1) (e), 2009 stats., may offset any credits claimed under this

subsection, including any credits carried over, against the amount of the tax otherwise due under this subchapter attributable to all of the claimant's income and against the tax attributable to income from directly related business operations of the claimant.

***-1465/P4.552* *-1059/P3.304* SECTION 1947.** 71.28 (1dx) (bg) of the statutes is amended to read:

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

***-1465/P4.553* *-1059/P3.305* SECTION 1948.** 71.28 (1dx) (c) of the statutes is amended to read:

71.28 **(1dx)** (c) *Credit precluded.* If the certification of a person for tax benefits under s. 238.365 (3), 238.397 (4), 238.398 (3), or 238.3995 (4) or s. 560.765 (3), 2009 stats., s. 560.797 (4), 2009 stats., s. 560.798 (3), 2009 stats., or s. 560.7995 (4), 2009 stats., is revoked, or if the person becomes ineligible for tax benefits under s. 238.395 (3) or s. 560.795 (3), 2009 stats., that person may not claim credits under this

subsection for the taxable year that includes the day on which the certification is revoked; the taxable year that includes the day on which the person becomes ineligible for tax benefits; or succeeding taxable years and that person may not carry over unused credits from previous years to offset tax under this chapter for the taxable year that includes the day on which certification is revoked; the taxable year that includes the day on which the person becomes ineligible for tax benefits; or succeeding taxable years.

***-1465/P4.554* *-1059/P3.306* SECTION 1949.** 71.28 (1dx) (d) of the statutes is amended to read:

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

***-1465/P4.555* *-1059/P3.307* SECTION 1950.** 71.28 (1dy) (a) of the statutes is amended to read:

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

***-1465/P4.556* *-1059/P3.308* SECTION 1951.** 71.28 (1dy) (b) of the statutes is amended to read:

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

***-1465/P4.557* *-1059/P3.309* SECTION 1952.** 71.28 (1dy) (c) 1. of the statutes is amended to read:

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

***-1465/P4.558* *-1059/P3.310* SECTION 1953.** 71.28 (1dy) (c) 2. of the statutes is amended to read:

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

***-1465/P4.559* *-1059/P3.311* SECTION 1954.** 71.28 (1dy) (d) 2. of the statutes is amended to read:

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

***-1465/P4.560* *-1059/P3.312* SECTION 1955.** 71.28 (3g) (a) (intro.) of the statutes is amended to read:

71.28 **(3g)** (a) (intro.) Subject to the limitations under this subsection and ss. 73.03 (35m) and 238.23 and s. 560.96, 2009 stats., a business that is certified under s. 238.23 (3) or s. 560.96 (3), 2009 stats., may claim as a credit against the taxes imposed under s. 71.23 an amount equal to the sum of the following, as established under s. 238.23 (3) (c) or s. 560.96 (3) (c), 2009 stats.:

***-1465/P4.561* *-1059/P3.313* SECTION 1956.** 71.28 (3g) (b) of the statutes is amended to read:

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

***-1465/P4.562* *-1059/P3.314* SECTION 1957.** 71.28 (3g) (e) 2. of the statutes is amended to read:

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

***-1465/P4.563* *-1059/P3.315* SECTION 1958.** 71.28 (3g) (f) 1. of the statutes is amended to read:

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

***-1465/P4.564* *-1059/P3.316* SECTION 1959.** 71.28 (3g) (f) 2. of the statutes is amended to read:

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

***-1465/P4.565* *-1059/P3.317* SECTION 1960.** 71.28 (3p) (b) of the statutes is amended to read:

71.28 **(3p)** (b) *Filing claims.* Subject to the limitations provided in this subsection and s. 93.535 or s. 560.207, 2009 stats., except as provided in par. (c) 5., for taxable years beginning after December 31, 2006, and before January 1, 2015, a claimant may claim as a credit against the taxes imposed under s. 71.23, up to the amount of the tax, an amount equal to 10 percent of the amount the claimant paid in the taxable year for dairy manufacturing modernization or expansion related to the claimant's dairy manufacturing operation.

***-1465/P4.566* *-1059/P3.318* SECTION 1961.** 71.28 (3p) (c) 2m. a. of the statutes is amended to read:

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

***-1465/P4.567* *-1059/P3.319* SECTION 1962.** 71.28 (3p) (c) 2m. b. of the statutes is amended to read:

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

***-1465/P4.568* *-1059/P3.320* SECTION 1963.** 71.28 (3p) (c) 2m. bm. of the statutes is amended to read:

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

***-0170/P1.2* SECTION 1964.** 71.28 (3p) (c) 3. of the statutes is amended to read:

71.28 **(3p)** (c) 3. Partnerships, limited liability companies, tax-option corporations, and dairy cooperatives may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit are based on their payment of expenses under par. (b), except that the aggregate amount of credits that ~~the entity~~

a dairy cooperative may compute shall not exceed $200,000 for each of the ~~entity's~~ cooperative's dairy manufacturing facilities. A partnership, limited liability company, tax-option corporation, or dairy cooperative shall compute the amount of credit that each of its partners, members, or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interest. Members of a dairy cooperative may claim the credit in proportion to the amount of milk that each member delivers to the dairy cooperative, as determined by the dairy cooperative.

***-1465/P4.569* *-1059/P3.321* SECTION 1965.** 71.28 (3p) (c) 6. of the statutes is amended to read:

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

***-1465/P4.570* *-1059/P3.322* SECTION 1966.** 71.28 (3q) (a) 1. of the statutes is amended to read:

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

***-1465/P4.571* *-1059/P3.323* SECTION 1967.** 71.28 (3q) (a) 2. of the statutes is amended to read:

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

***-1465/P4.572* *-1059/P3.324* SECTION 1968.** 71.28 (3q) (b) (intro.) of the statutes is amended to read:

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

***-1465/P4.573* *-1059/P3.325* SECTION 1969.** 71.28 (3q) (b) 1. of the statutes is amended to read:

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

***-1465/P4.574* *-1059/P3.326* SECTION 1970.** 71.28 (3q) (b) 2. of the statutes is amended to read:

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

***-1465/P4.575* *-1059/P3.327* SECTION 1971.** 71.28 (3q) (c) 2. of the statutes is amended to read:

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

***-1465/P4.576* *-1059/P3.328* SECTION 1972.** 71.28 (3q) (c) 3. of the statutes is amended to read:

71.28 **(3q)** (c) 3. The maximum amount of credits that may be awarded under this subsection and ss. 71.07 (3q) and 71.47 (3q) for the period beginning on January

1, 2010, and ending on June 30, 2013, is $14,500,000, not including the amount of any credits reallocated under s. 238.15 (3) (d) or s. 560.205 (3) (d), 2009 stats.

***-1465/P4.577* *-1059/P3.329* SECTION 1973.** 71.28 (3r) (b) of the statutes is amended to read:

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

***-1465/P4.578* *-1059/P3.330* SECTION 1974.** 71.28 (3r) (c) 3. a. of the statutes is amended to read:

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

***-1465/P4.579* *-1059/P3.331* SECTION 1975.** 71.28 (3r) (c) 3. b. of the statutes is amended to read:

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

***-1465/P4.580* *-1059/P3.332* SECTION 1976.** 71.28 (3r) (c) 6. of the statutes is amended to read:

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

***-1465/P4.581* *-1059/P3.333* SECTION 1977.** 71.28 (3rm) (b) of the statutes is amended to read:

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

***-1465/P4.582* *-1059/P3.334* SECTION 1978.** 71.28 (3rm) (c) 3. of the statutes is amended to read:

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

***-1465/P4.583* *-1059/P3.335* SECTION 1979.** 71.28 (3rn) (b) of the statutes is amended to read:

71.28 **(3rn)** (b) *Filing claims.* Subject to the limitations provided in this subsection and s. ~~506.2056~~ 238.17 or s. 560.2056, 2009 stats., for taxable years beginning after December 31, 2009, and before January 1, 2017, a claimant may claim as a credit against the tax imposed under s. 71.23, up to the amount of the tax, an amount equal to 10 percent of the amount the claimant paid in the taxable year

for food processing or food warehousing modernization or expansion related to the operation of the claimant's food processing plant or food warehouse.

***-1465/P4.584* *-1059/P3.336* SECTION 1980.** 71.28 (3rn) (c) 3. a. of the statutes is amended to read:

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

***-1465/P4.585* *-1059/P3.337* SECTION 1981.** 71.28 (3rn) (c) 3. b. of the statutes is amended to read:

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

***-1465/P4.586* *-1059/P3.338* SECTION 1982.** 71.28 (3rn) (c) 3. c. of the statutes is amended to read:

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

***-1465/P4.587* *-1059/P3.339* SECTION 1983.** 71.28 (3rn) (c) 6. of the statutes is amended to read:

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

***-1465/P4.588* *-1059/P3.340* SECTION 1984.** 71.28 (3t) (b) of the statutes is amended to read:

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

***-1465/P4.589* *-1059/P3.341* SECTION 1985.** 71.28 (3t) (c) 1. of the statutes is amended to read:

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

***-1465/P4.590* *-1059/P3.342* SECTION 1986.** 71.28 (3w) (a) 2. of the statutes is amended to read:

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

***-1465/P4.591* *-1059/P3.343* SECTION 1987.** 71.28 (3w) (a) 3. of the statutes is amended to read:

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

***-1465/P4.592* *-1059/P3.344* SECTION 1988.** 71.28 (3w) (a) 4. of the statutes is amended to read:

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

***-1465/P4.593* *-1059/P3.345* SECTION 1989.** 71.28 (3w) (a) 5d. of the statutes is amended to read:

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

***-1465/P4.594* *-1059/P3.346* SECTION 1990.** 71.28 (3w) (a) 5e. of the statutes is amended to read:

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

***-1465/P4.595* *-1059/P3.347* SECTION 1991.** 71.28 (3w) (b) (intro.) of the statutes is amended to read:

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

***-1465/P4.596* *-1059/P3.348* SECTION 1992.** 71.28 (3w) (b) 5. of the statutes is amended to read:

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

***-1465/P4.597* *-1059/P3.349* SECTION 1993.** 71.28 (3w) (bm) 1. of the statutes is amended to read:

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

***-1465/P4.598* *-1059/P3.350* SECTION 1994.** 71.28 (3w) (bm) 2. of the statutes is amended to read:

71.28 **(3w)** (bm) 2. In addition to the credits under par. (b) and subds. 1., 3., and 4., and subject to the limitations provided in this subsection and s. 238.399 or s. 560.799, 2009 stats., a claimant may claim as a credit against the tax imposed under s. 71.23 an amount equal to the percentage, as determined ~~by the department of commerce~~ under s. 238.399 or s. 560.799, 2009 stats., not to exceed 7 percent, of the claimant's zone payroll paid in the taxable year to all of the claimant's full-time employees whose annual wages are greater than $20,000 in a tier I county or municipality, not including the wages paid to the employees determined under par. (b) 1., or greater than $30,000 in a tier II county or municipality, not including the wages paid to the employees determined under par. (b) 1., and who the claimant

employed in the enterprise zone in the taxable year, if the total number of such employees is equal to or greater than the total number of such employees in the base year. A claimant may claim a credit under this subdivision for no more than 5 consecutive taxable years.

***-1465/P4.599* *-1059/P3.351* SECTION 1995.** 71.28 (3w) (bm) 3. of the statutes is amended to read:

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

***-1465/P4.600* *-1059/P3.352* SECTION 1996.** 71.28 (3w) (bm) 4. of the statutes is amended to read:

71.28 **(3w)** (bm) 4. In addition to the credits under par. (b) and subds. 1., 2., and 3., and subject to the limitations provided in this subsection and s. 238.399 or s. 560.799, 2009 stats., for taxable years beginning after December 31, 2009, a claimant may claim as a credit against the tax imposed under s. 71.23, up to 1 percent of the amount that the claimant paid in the taxable year to purchase tangible personal property, items, property, or goods under s. 77.52 (1) (b), (c), or (d), or services from Wisconsin vendors, as determined ~~by the department of commerce~~ under s. 238.399 (5) (e) or s. 560.799 (5) (e), 2009 stats., except that the claimant may not claim the credit under this subdivision and subd. 3. for the same expenditures.

***-1465/P4.601* *-1059/P3.353* SECTION 1997.** 71.28 (3w) (c) 3. of the statutes is amended to read:

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

***-1465/P4.602* *-1059/P3.354* SECTION 1998.** 71.28 (3w) (d) of the statutes is amended to read:

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

***-1465/P4.603* *-1059/P3.355* SECTION 1999.** 71.28 (4) (am) 1. of the statutes is amended to read:

71.28 **(4)** (am) 1. In addition to the credit under par. (ad), any corporation may credit against taxes otherwise due under this chapter an amount equal to 5 percent of the amount obtained by subtracting from the corporation's qualified research expenses, as defined in section 41 of the Internal Revenue Code, except that "qualified research expenses" include only expenses incurred by the claimant in a development zone under subch. II of ch. 238 or subch. VI of ch. 560, 2009 stats., except that a taxpayer may elect the alternative computation under section 41 (c) (4) of the Internal Revenue Code and that election applies until the department permits its revocation and except that "qualified research expenses" do not include compensation used in computing the credit under sub. (1dj) nor research expenses incurred before the claimant is certified for tax benefits under s. 238.365 (3) or s. 560.765 (3), 2009 stats., the corporation's base amount, as defined in section 41 (c) of the Internal Revenue Code, in a development zone, except that gross receipts used

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

***-1465/P4.604* *-1059/P3.356* SECTION 2000.** 71.28 (4) (am) 2. of the statutes is amended to read:

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

***-1465/P4.605* *-1059/P3.357* SECTION 2001.** 71.28 (5b) (a) 2. of the statutes is amended to read:

71.28 **(5b)** (a) 2. "Fund manager" means an investment fund manager certified under s. 238.15 (2) or s. 560.205 (2), 2009 stats.

***-1465/P4.606* *-1059/P3.358* SECTION 2002.** 71.28 (5b) (b) 1. of the statutes is amended to read:

71.28 **(5b)** (b) 1. For taxable years beginning after December 31, 2004, subject to the limitations provided under this subsection and s. 238.15 or s. 560.205, 2009 stats., and except as provided in subd. 2., a claimant may claim as a credit against the tax imposed under s. 71.23, up to the amount of those taxes, 25 percent of the claimant's investment paid to a fund manager that the fund manager invests in a business certified under s. 238.15 (1) or s. 560.205 (1), 2009 stats.

***-1465/P4.607* *-1059/P3.359* SECTION 2003.** 71.28 (5b) (b) 2. of the statutes is amended to read:

71.28 **(5b)** (b) 2. In the case of a partnership, limited liability company, or tax-option corporation, the computation of the 25 percent limitation under subd. 1. shall be determined at the entity level rather than the claimant level and may be allocated among the claimants who make investments in the manner set forth in the entity's organizational documents. The entity shall provide to the department of revenue and to the department of commerce or the Wisconsin Economic Development Corporation the names and tax identification numbers of the claimants, the amounts of the credits allocated to the claimants, and the computation of the allocations.

***-0167/P1.3* SECTION 2004.** 71.28 (5b) (d) 3. of the statutes is amended to read:

71.28 **(5b)** (d) 3. For ~~calendar years beginning~~ investments made after December 31, 2007, if an investment for which a claimant claims a credit under par. (b) is held by the claimant for less than 3 years, the claimant shall pay to the department, in the manner prescribed by the department, the amount of the credit that the claimant received related to the investment.

***-1465/P4.608* *-1059/P3.360* SECTION 2005.** 71.28 (5f) (a) 1. (intro.) of the statutes is amended to read:

71.28 **(5f)** (a) 1. (intro.) "Accredited production" means a film, video, broadcast advertisement, or television production, as approved by the department of commerce or the department of tourism, for which the aggregate salary and wages included in the cost of the production for the period ending 12 months after the month in which the principal filming or taping of the production begins exceeds $50,000. "Accredited production" also means an electronic game, as approved by the department of commerce or the department of tourism, for which the aggregate salary and wages included in the cost of the production for the period ending 36 months after the month in which the principal programming, filming, or taping of the production begins exceeds $100,000. "Accredited production" does not include any of the following, regardless of the production costs:

***-1465/P4.609* *-1059/P3.361* SECTION 2006.** 71.28 (5f) (a) 3. of the statutes is amended to read:

71.28 **(5f)** (a) 3. "Production expenditures" means any expenditures that are incurred in this state and directly used to produce an accredited production, including expenditures for set construction and operation, wardrobes, make-up, clothing accessories, photography, sound recording, sound synchronization, sound mixing, lighting, editing, film processing, film transferring, special effects, visual

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

***-1465/P4.610* *-1059/P3.362* SECTION 2007.** 71.28 (5f) (c) 6. of the statutes is amended to read:

71.28 **(5f)** (c) 6. No credit may be allowed under this subsection unless the claimant files an application with the department of commerce or the department of tourism, at the time and in the manner prescribed by the department of commerce or the department of tourism, and the department of commerce or the department of tourism approves the application. The claimant shall submit a fee with the application in an amount equal to 2 percent of the claimant's budgeted production expenditures or to $5,000, whichever is less. The claimant shall submit a copy of the approved application with the claimant's return.

***-1465/P4.611* *-1059/P3.363* SECTION 2008.** 71.28 (5h) (c) 4. of the statutes is amended to read:

71.28 **(5h)** (c) 4. No claim may be allowed under this subsection unless the department of commerce or the department of tourism certifies, in writing, that the credits claimed under this subsection are for expenses related to establishing or operating a film production company in this state and the claimant submits a copy of the certification with the claimant's return.

***-1465/P4.612* *-1059/P3.364* SECTION 2009.** 71.28 (5i) (c) 1. of the statutes is amended to read:

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

***-1465/P4.613* *-1059/P3.365* SECTION 2010.** 71.28 (5j) (a) 2d. of the statutes is amended to read:

71.28 **(5j)** (a) 2d. "Diesel replacement renewable fuel" includes biodiesel and any other fuel derived from a renewable resource that meets all of the applicable requirements of the American Society for Testing and Materials for that fuel and that the department of commerce or the department of safety and professional services designates by rule as a diesel replacement renewable fuel.

***-1465/P4.614* *-1059/P3.366* SECTION 2011.** 71.28 (5j) (a) 2m. of the statutes is amended to read:

71.28 **(5j)** (a) 2m. "Gasoline replacement renewable fuel" includes ethanol and any other fuel derived from a renewable resource that meets all of the applicable requirements of the American Society for Testing and Materials for that fuel and that the department of commerce or the department of safety and professional services designates by rule as a gasoline replacement renewable fuel.

***-1465/P4.615* *-1059/P3.367* SECTION 2012.** 71.28 (5j) (c) 3. of the statutes is amended to read:

71.28 **(5j)** (c) 3. The department of commerce or the department of safety and professional services shall establish standards to adequately prevent, in the distribution of conventional fuel to an end user, the inadvertent distribution of fuel containing a higher percentage of renewable fuel than the maximum percentage established by the federal environmental protection agency for use in conventionally-fueled engines.

1 ***-1187/P5.392* SECTION 2013.** 71.28 (5r) (a) 6. a. of the statutes is amended
2 to read:
3 71.28 **(5r)** (a) 6. a. A University of Wisconsin System institution, the University
4 of Wisconsin-Madison, a technical college system institution, or a regionally
5 accredited 4-year nonprofit college or university having its regional headquarters
6 and principal place of business in this state.
7 ***-1260/P4.5* SECTION 2014.** 71.34 (1g) (um) of the statutes is amended to read:
8 71.34 **(1g)** (um) "Internal Revenue Code" for tax-option corporations, for
9 taxable years that begin after December 31, 2008, means the federal Internal
10 Revenue Code as amended to December 31, 2008, excluding sections 103, 104, and
11 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
12 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188,
13 sections 1, 3, 4, and 5 of P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L.
14 106-573, section 431 of P.L. 107-16, sections 101 and 301 (a) of P.L. 107-147, sections
15 106, 201, and 202 of P.L. 108-27, section 1201 of P.L. 108-173, sections 306, 308, 316,
16 401, and 403 (a) of P.L. 108-311, sections 101, 102, 201, 211, 242, 244, 336, 337, 422,
17 847, 909, and 910 of P.L. 108-357, P.L. 109-1, sections 1305, 1308, 1309, 1310, 1323,
18 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, section 11146 of P.L.
19 109-59, section 301 of P.L. 109-73, sections 101, 105, 201 (a) as it relates to section
20 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, sections 101, 207, 209,
21 503, and 513 of P.L. 109-222, ~~section 844 of P.L. 109-280,~~ P.L. 109-432, P.L. 110-28,
22 P.L. 110-140, P.L. 110-141, P.L. 110-142, P.L. 110-166, P.L. 110-172, P.L. 110-185,
23 P.L. 110-234, sections 110, 113, and 301 of P.L. 110-245, P.L. 110-246, except section
24 15316 of P.L. 110-246, P.L. 110-289, P.L. 110-317, P.L. 110-343, except section 301
25 of division B and section 313 of division C of P.L. 110-343, and P.L. 110-351, and as

1 amended by sections 1401, 1402, 1521, 1522, and 1531 of division B of P.L. 111-5,
2 section 301 of P.L. 111-147, and sections 2111, 2112, and 2113 of P.L. 111-240, and
3 as indirectly affected in the provisions applicable to this subchapter by P.L. 99-514,
4 P.L. 100-203, P.L. 100-647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2),
5 821 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L.
6 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,
7 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.
8 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
9 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,
10 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.
11 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.
12 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections
13 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L.
14 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections
15 101 and 301 (a) of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L.
16 107-358, P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L.
17 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L.
18 108-218, P.L. 108-311, excluding sections 306, 308, 316, 401, and 403 (a) of P.L.
19 108-311, P.L. 108-357, excluding sections 101, 102, 201, 211, 242, 244, 336, 337, 422,
20 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7, P.L.
21 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328,
22 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-59, excluding section 11146 of P.L.
23 109-59, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding
24 sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and
25 (q), and 405 of P.L. 109-135, P.L. 109-151, P.L. 109-222, excluding sections 101, 207,