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1 P.L. 110-234, sections 110, 113, and 301 of P.L. 110-245, P.L. 110-246, except section
2 15316 of P.L. 110-246, P.L. 110-289, P.L. 110-317, P.L. 110-343, except section 301
3 of division B and section 313 of division C of P.L. 110-343, and P.L. 110-351, and as
4 amended by sections 1401, 1402, 1521, 1522, and 1531 of division B of P.L. 111-5,
5 section 301 of P.L. 111-147, and sections 2111, 2112, and 2113 of P.L. 111-240, and
6 as indirectly affected in the provisions applicable to this subchapter by P.L. 99-514,
7 P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239,
8 P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L.
9 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),
10 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.
11 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605
12 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L.
13 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L.
14 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16,
15 excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L.
16 107-147, excluding sections 101 and 301 (a) of P.L. 107-147, P.L. 107-181, P.L.
17 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27, excluding sections 106, 201, and
18 202 of P.L. 108-27, P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L.
19 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 308, 316,
20 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 102, 201, 211,
21 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 108-476,
22 P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325,
23 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-59, excluding section 11146
24 of P.L. 109-59, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135,
25 excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e),

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1 (j), and (q), and 405 of P.L. 109-135, P.L. 109-151, P.L. 109-222, excluding sections
2 101, 207, 209, 503, and 513 of P.L. 109-222, P.L. 109-227, P.L. 109-280, ~~excluding~~
3 ~~section 844 of P.L. 109-280~~, P.L. 110-245, excluding sections 110, 113, and 301 of P.L.
4 110-245, and section 15316 of P.L. 110-246, section 301 of division B and section 313
5 of division C of P.L. 110-343, P.L. 110-458, sections 1401, 1402, 1521, 1522, and 1531
6 of division B of P.L. 111-5, section 301 of P.L. 111-147, and sections 2111, 2112, and
7 2113 of P.L. 111-240, except that property that, under s. 71.02 (1) (c) 8. to 11., 1985
8 stats., is required to be depreciated for taxable years 1983 to 1986 under the Internal
9 Revenue Code as amended to December 31, 1980, shall continue to be depreciated
10 under the Internal Revenue Code as amended to December 31, 1980, and except that
11 the appropriate amount shall be added or subtracted to reflect differences between
12 the depreciation or adjusted basis for federal income tax purposes and the
13 depreciation or adjusted basis under this chapter of any property disposed of during
14 the taxable year. The Internal Revenue Code as amended to December 31, 2008,
15 excluding sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171
16 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and
17 1605 (d) of P.L. 104-188, sections 1, 3, 4, and 5 of P.L. 106-519, sections 162 and 165
18 of P.L. 106-554, P.L. 106-573, section 431 of P.L. 107-16, sections 101 and 301 (a) of
19 P.L. 107-147, sections 106, 201, and 202 of P.L. 108-27, section 1201 of P.L. 108-173,
20 sections 306, 308, 316, 401, and 403 (a) of P.L. 108-311, sections 101, 102, 201, 211,
21 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 109-1, sections 1305,
22 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58,
23 section 11146 of P.L. 109-59, section 301 of P.L. 109-73, sections 101, 105, 201 (a) as
24 it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135,
25 sections 101, 207, 209, 503, and 513 of P.L. 109-222, ~~section 844 of P.L. 109-280~~, P.L.

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1 109-432, P.L. 110-28, P.L. 110-140, P.L. 110-141, P.L. 110-142, P.L. 110-166, P.L.
2 110-172, P.L. 110-185, P.L. 110-234, sections 110, 113, and 301 of P.L. 110-245, P.L.
3 110-246, except section 15316 of P.L. 110-246, P.L. 110-289, P.L. 110-317, P.L.
4 110-343, except section 301 of division B and section 313 of division C of P.L. 110-343,
5 and P.L. 110-351, and as amended by sections 1401, 1402, 1521, 1522, and 1531 of
6 division B of P.L. 111-5, section 301 of P.L. 111-147, and sections 2111, 2112, and 2113
7 of P.L. 111-240, and as indirectly affected in the provisions applicable to this
8 subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140,
9 P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104,
10 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections
11 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L.
12 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202
13 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.
14 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L.
15 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554,
16 P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L.
17 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and 301 (a) of P.L.
18 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27,
19 excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, P.L. 108-173,
20 excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311,
21 excluding sections 306, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357,
22 excluding sections 101, 102, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of
23 P.L. 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections
24 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L.
25 109-58, P.L. 109-59, excluding section 11146 of P.L. 109-59, P.L. 109-73, excluding

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1 section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it
2 relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L.
3 109-151, P.L. 109-222, excluding sections 101, 207, 209, 503, and 513 of P.L.
4 109-222, P.L. 109-227, P.L. 109-280, ~~excluding section 844 of P.L. 109-280, P.L.~~
5 110-245, excluding sections 110, 113, and 301 of P.L. 110-245, and section 15316 of
6 P.L. 110-246, section 301 of division B and section 313 of division C of P.L. 110-343,
7 P.L. 110-458, sections 1401, 1402, 1521, 1522, and 1531 of division B of P.L. 111-5,
8 section 301 of P.L. 111-147, and sections 2111, 2112, and 2113 of P.L. 111-240, applies
9 for Wisconsin purposes at the same time as for federal purposes. Amendments to the
10 Internal Revenue Code enacted after December 31, 2008, do not apply to this
11 subdivision with respect to taxable years that begin after December 31, 2008, except
12 that changes to the Internal Revenue Code made by sections 1401, 1402, 1521, 1522,
13 and 1531 of division B of P.L. 111-5, section 301 of P.L. 111-147, and sections 2111,
14 2112, and 2113 of P.L. 111-240, and changes that indirectly affect the provisions
15 applicable to this subchapter made by sections 1401, 1402, 1521, 1522, and 1531 of
16 division B of P.L. 111-5, section 301 of P.L. 111-147, and sections 2111, 2112, and 2113
17 of P.L. 111-240, apply for Wisconsin purposes at the same time as for federal
18 purposes.

19 **SECTION 1898.** 71.28 (1dd) (b) of the statutes is amended to read:

20 71.28 (1dd) (b) Except as provided in s. 73.03 (35), for any taxable year for
21 which that person is certified under s. 560.765 (3), 2009 stats., and begins business
22 operations in a zone under s. 560.71, 2009 stats., after July 29, 1995, entitled under
23 s. 560.795 (3) (a), 2009 stats., and begins business operations in a zone under s.
24 560.795, 2009 stats., after July 29, 1995, or certified under s. 560.797 (4) (a), 2009
25 stats., for each zone for which the person is certified or entitled a person may credit

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

3 **SECTION 1899.** 71.28 (1dd) (e) of the statutes is amended to read:

4 71.28 (1dd) (e) The credit under this subsection, as it applies to a person
5 certified under s. 560.765 (3), 2009 stats., applies to a corporation that conducts
6 economic activity in a zone under s. 560.795 (1), 2009 stats., and that is entitled to
7 tax benefits under s. 560.795 (3), 2009 stats., subject to the limits under s. 560.795
8 (2), 2009 stats. A credit under this subsection may be credited using expenses
9 incurred by a claimant on July 29, 1995.

10 **SECTION 1900.** 71.28 (1de) (a) (intro.) of the statutes is amended to read:

11 71.28 (1de) (a) (intro.) Except as provided in s. 73.03 (35), for any taxable year
12 for which a person is certified under s. 560.765 (3), 2009 stats., and begins business
13 operations in a zone under s. 560.71, 2009 stats., after July 29, 1995, entitled under
14 s. 560.795 (3) (a), 2009 stats., and begins business operations in a zone under s.
15 560.795, 2009 stats., after July 29, 1995, or certified under s. 560.797 (4) (a), 2009
16 stats., for each zone for which the person is certified or entitled the person may claim
17 as a credit against taxes otherwise due under this subchapter an amount equal to
18 7.5% of the amount that the person expends to remove or contain environmental
19 pollution, as defined in s. 299.01 (4), in the zone or to restore soil or groundwater that
20 is affected by environmental pollution, as defined in s. 299.01 (4), in the zone if the
21 person fulfills all of the following requirements:

22 **SECTION 1901.** 71.28 (1de) (a) 1. of the statutes is amended to read:

23 71.28 (1de) (a) 1. Begins the work, other than planning and investigating, for
24 which the credit is claimed after the area that includes the site where the work is
25 done is designated a development zone under s. 560.71, 2009 stats., a development

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

5 **SECTION 1902.** 71.28 (1de) (d) of the statutes is amended to read:

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

12 **SECTION 1903.** 71.28 (1di) (a) (intro.) of the statutes is amended to read:

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

20 **SECTION 1904.** 71.28 (1di) (a) 1. of the statutes is amended to read:

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

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

3 **SECTION 1905.** 71.28 (1di) (b) 2. of the statutes is amended to read:

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

12 **SECTION 1906.** 71.28 (1di) (b) 3. of the statutes is amended to read:

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

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

5 **SECTION 1907.** 71.28 (1di) (d) 1. of the statutes is amended to read:

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

8 **SECTION 1908.** 71.28 (1di) (f) of the statutes is amended to read:

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

16 **SECTION 1909.** 71.28 (1di) (g) of the statutes is amended to read:

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

22 **SECTION 1910.** 71.28 (1di) (i) of the statutes is amended to read:

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

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

7 **SECTION 1911.** 71.28 (1dj) (am) (intro.) of the statutes is amended to read:

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

12 **SECTION 1912.** 71.28 (1dj) (am) 4. a. of the statutes is amended to read:

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

20 **SECTION 1913.** 71.28 (1dj) (am) 4. b. of the statutes is amended to read:

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

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

3 **SECTION 1914.** 71.28 (1dj) (am) 4c. of the statutes is amended to read:

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

9 **SECTION 1915.** 71.28 (1dj) (am) 4t. of the statutes is amended to read:

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

17 **SECTION 1916.** 71.28 (1dj) (e) 1. of the statutes is amended to read:

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

20 **SECTION 1917.** 71.28 (1dj) (e) 3. a. of the statutes is amended to read:

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

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1 **SECTION 1918.** 71.28 (1dj) (e) 3. b. of the statutes is amended to read:

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

7 **SECTION 1919.** 71.28 (1dj) (i) of the statutes is amended to read:

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

17 **SECTION 1920.** 71.28 (1dL) (a) of the statutes is amended to read:

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

24 **SECTION 1921.** 71.28 (1dL) (ag) of the statutes is amended to read:

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

11 **SECTION 1922.** 71.28 (1dL) (ar) of the statutes is amended to read:

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

22 **SECTION 1923.** 71.28 (1dL) (bm) of the statutes is amended to read:

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

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

5 **SECTION 1924.** 71.28 (1dL) (c) of the statutes is amended to read:

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

14 **SECTION 1925.** 71.28 (1dL) (i) of the statutes is amended to read:

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

24 **SECTION 1926.** 71.28 (1dm) (a) 1. of the statutes is amended to read:

BILL**SECTION 1926**

1 71.28 (1dm) (a) 1. "Certified" means 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 s. or 560.7995 (4), 2009 stats.

5 **SECTION 1927.** 71.28 (1dm) (a) 3. of the statutes is amended to read:

6 71.28 (1dm) (a) 3. "Development zone" means a development opportunity zone
7 under s. 238.395 (1) (e) and (f) or 238.398 or s. 560.795 (1) (e) and (f), 2009 stats., or
8 s. 560.798, 2009 stats., or an airport development zone under s. 238.3995 or s.
9 560.7995, 2009 stats.

10 **SECTION 1928.** 71.28 (1dm) (a) 4. of the statutes is amended to read:

11 71.28 (1dm) (a) 4. "Previously owned property" means real property that the
12 claimant or a related person owned during the 2 years prior to the department of
13 commerce or the Wisconsin Economic Development Corporation designating the
14 place where the property is located as a development zone and for which the claimant
15 may not deduct a loss from the sale of the property to, or an exchange of the property
16 with, the related person under section 267 of the Internal Revenue Code, except that
17 section 267 (b) of the Internal Revenue Code is modified so that if the claimant owns
18 any part of the property, rather than 50% ownership, the claimant is subject to
19 section 267 (a) (1) of the Internal Revenue Code for purposes of this subsection.

20 **SECTION 1929.** 71.28 (1dm) (f) 1. of the statutes is amended to read:

21 71.28 (1dm) (f) 1. A copy of ~~a~~ the verification from the department of commerce
22 that the claimant may claim tax benefits under s. 238.395 (3) (a) 4. or s. 560.795 (3)
23 (a) 4., 2009 stats., or is certified under s. 238.395 (5), 238.398 (3), or 238.3995 (4) or
24 s. 560.795 (5), 2009 stats., s. 560.798 (3), 2009 stats., or s. 560.7995 (4), 2009 stats.

25 **SECTION 1930.** 71.28 (1dm) (f) 2. of the statutes is amended to read:

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

5 **SECTION 1931.** 71.28 (1dm) (i) of the statutes is amended to read:

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

20 **SECTION 1932.** 71.28 (1dm) (j) of the statutes is amended to read:

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

BILL**SECTION 1932**

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

7 **SECTION 1933.** 71.28 (1dm) (k) of the statutes is amended to read:

8 71.28 (1dm) (k) If a person who is entitled under s. 238.395 (3) (a) 4. or s.
9 560.795 (3) (a) 4., 2009 stats., to claim tax benefits or certified under s. 238.395 (5),
10 239.398 (3), or 238.3995 (4) or s. 560.795 (5), 2009 stats., s. 560.798 (3), 2009 stats.,
11 or s. 560.7995 (4), 2009 stats., ceases business operations in the development zone
12 during any of the taxable years that that zone exists, that person may not carry over
13 to any taxable year following the year during which operations cease any unused
14 credits from the taxable year during which operations cease or from previous taxable
15 years.

16 **SECTION 1934.** 71.28 (1ds) (a) 1. of the statutes is amended to read:

17 71.28 (1ds) (a) 1. "Development zone" means a zone designated under s. 560.71,
18 2009 stats.

19 **SECTION 1935.** 71.28 (1ds) (b) of the statutes is amended to read:

20 71.28 (1ds) (b) Except as provided in pars. (dm) and (e) and s. 73.03 (35), for
21 any taxable year for which the person is certified under s. 560.765 (3), 2009 stats.,
22 for tax benefits, any person may claim as a credit against taxes otherwise due under
23 this chapter the taxes paid under subchs. III and V of ch. 77 on their purchases, leases
24 and rentals of eligible property. Partnerships, limited liability companies and
25 tax-option corporations may not claim the credit under this subsection, but the

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

9 **SECTION 1936.** 71.28 (1ds) (d) 1. of the statutes is amended to read:

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

12 **SECTION 1937.** 71.28 (1ds) (i) of the statutes is amended to read:

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

22 **SECTION 1938.** 71.28 (1dx) (a) 2. of the statutes is amended to read:

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

BILL**SECTION 1938**

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 **SECTION 1939.** 71.28 (1dx) (a) 5. of the statutes is amended to read:

5 71.28 (1dx) (a) 5. "Member of a targeted group" means a person who resides
6 in an area designated by the federal government as an economic revitalization area,
7 a person who is employed in an unsubsidized job but meets the eligibility
8 requirements under s. 49.145 (2) and (3) for a Wisconsin Works employment position,
9 a person who is employed in a trial job, as defined in s. 49.141 (1) (n), or in a real work,
10 real pay project position under s. 49.147 (3m), a person who is eligible for child care
11 assistance under s. 49.155, a person who is a vocational rehabilitation referral, an
12 economically disadvantaged youth, an economically disadvantaged veteran, a
13 supplemental security income recipient, a general assistance recipient, an
14 economically disadvantaged ex-convict, a qualified summer youth employee, as
15 defined in 26 USC 51 (d) (7), a dislocated worker, as defined in 29 USC 2801 (9), or
16 a ~~food stamp~~ recipient of benefits under the supplemental nutrition assistance
17 program under 7 USC 2011 to 2036, if the person has been certified in the manner
18 under sub. (1dj) (am) 3. by a designated local agency, as defined in sub. (1dj) (am) 2.

19 **SECTION 1940.** 71.28 (1dx) (b) (intro.) of the statutes is amended to read:

20 71.28 (1dx) (b) *Credit.* (intro.) Except as provided in pars. (be) and (bg) and
21 in s. 73.03 (35), and subject to s. 238.385 or s. 560.785, 2009 stats., for any taxable
22 year for which the person is entitled under s. 238.395 (3) or s. 560.795 (3), 2009 stats.,
23 to claim tax benefits or certified under s. 238.365 (3), 238.397 (4), 238.398 (3), or
24 238.3995 (4) or s. 560.765 (3), 2009 stats., s. 560.797 (4), 2009 stats., s. 560.798 (3),

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

3 **SECTION 1941.** 71.28 (1dx) (b) 2. of the statutes is amended to read:

4 71.28 (1dx) (b) 2. The amount determined by multiplying the amount
5 determined under s. 238.385 (1) (b) or s. 560.785 (1) (b), 2009 stats., by the number
6 of full-time jobs created in a development zone and filled by a member of a targeted
7 group and by then subtracting the subsidies paid under s. 49.147 (3) (a) or the
8 subsidies and reimbursements paid under s. 49.147 (3m) (c) for those jobs.

9 **SECTION 1942.** 71.28 (1dx) (b) 3. of the statutes is amended to read:

10 71.28 (1dx) (b) 3. The amount determined by multiplying the amount
11 determined under s. 238.385 (1) (c) or s. 560.785 (1) (c), 2009 stats., by the number
12 of full-time jobs created in a development zone and not filled by a member of a
13 targeted group and by then subtracting the subsidies paid under s. 49.147 (3) (a) or
14 the subsidies and reimbursements paid under s. 49.147 (3m) (c) for those jobs.

15 **SECTION 1943.** 71.28 (1dx) (b) 4. of the statutes is amended to read:

16 71.28 (1dx) (b) 4. The amount determined by multiplying the amount
17 determined under s. 238.385 (1) (bm) or s. 560.785 (1) (bm), 2009 stats., by the
18 number of full-time jobs retained, as provided in the rules under s. 238.385 or s.
19 560.785, 2009 stats., excluding jobs for which a credit has been claimed under sub.
20 (1dj), in an enterprise development zone under s. 238.397 or s. 560.797, 2009 stats.,
21 and for which significant capital investment was made and by then subtracting the
22 subsidies paid under s. 49.147 (3) (a) or the subsidies and reimbursements paid
23 under s. 49.147 (3m) (c) for those jobs.

24 **SECTION 1944.** 71.28 (1dx) (b) 5. of the statutes is amended to read:

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1 71.28 (1dx) (b) 5. The amount determined by multiplying the amount
2 determined under s. 238.385 (1) (c) or s. 560.785 (1) (c), 2009 stats., by the number
3 of full-time jobs retained, as provided in the rules under s. 238.385 or s. 560.785,
4 2009 stats., excluding jobs for which a credit has been claimed under sub. (1dj), in
5 a development zone and not filled by a member of a targeted group and by then
6 subtracting the subsidies paid under s. 49.147 (3) (a) or the subsidies and
7 reimbursements paid under s. 49.147 (3m) (c) for those jobs.

8 **SECTION 1945.** 71.28 (1dx) (be) of the statutes is amended to read:

9 71.28 (1dx) (be) *Offset.* A claimant in a development zone under s. 238.395
10 (1) (e) or s. 560.795 (1) (e), 2009 stats., may offset any credits claimed under this
11 subsection, including any credits carried over, against the amount of the tax
12 otherwise due under this subchapter attributable to all of the claimant's income and
13 against the tax attributable to income from directly related business operations of
14 the claimant.

15 **SECTION 1946.** 71.28 (1dx) (bg) of the statutes is amended to read:

16 71.28 (1dx) (bg) *Other entities.* For claimants in a development zone under s.
17 238.395 (1) (e) or s. 560.795 (1) (e), 2009 stats., partnerships, limited liability
18 companies, and tax-option corporations may not claim the credit under this
19 subsection, but the eligibility for, and amount of, that credit shall be determined on
20 the basis of their economic activity, not that of their shareholders, partners, or
21 members. The corporation, partnership, or company shall compute the amount of
22 the credit that may be claimed by each of its shareholders, partners, or members and
23 shall provide that information to each of its shareholders, partners, or members.
24 Partners, members of limited liability companies, and shareholders of tax-option
25 corporations may claim the credit based on the partnership's, company's, or

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1 corporation's activities in proportion to their ownership interest and may offset it
2 against the tax attributable to their income.

3 **SECTION 1947.** 71.28 (1dx) (c) of the statutes is amended to read:

4 71.28 (1dx) (c) *Credit precluded.* If the certification of a person for tax benefits
5 under s. 238.365 (3), 238.397 (4), 238.398 (3), or 238.3995 (4) or s. 560.765 (3), 2009
6 stats., s. 560.797 (4), 2009 stats., s. 560.798 (3), 2009 stats., or s. 560.7995 (4), 2009
7 stats., is revoked, or if the person becomes ineligible for tax benefits under s. 238.395
8 (3) or s. 560.795 (3), 2009 stats., that person may not claim credits under this
9 subsection for the taxable year that includes the day on which the certification is
10 revoked; the taxable year that includes the day on which the person becomes
11 ineligible for tax benefits; or succeeding taxable years and that person may not carry
12 over unused credits from previous years to offset tax under this chapter for the
13 taxable year that includes the day on which certification is revoked; the taxable year
14 that includes the day on which the person becomes ineligible for tax benefits; or
15 succeeding taxable years.

16 **SECTION 1948.** 71.28 (1dx) (d) of the statutes is amended to read:

17 71.28 (1dx) (d) *Carry-over precluded.* If a person who is entitled under s.
18 238.395 (3) or s. 560.795 (3), 2009 stats., to claim tax benefits or certified under s.
19 238.365 (3), 238.397 (4), 238.398 (3), or 238.3995 (4) or s. 560.765 (3), 2009 stats., s.
20 560.797 (4), 2009 stats., s. 560.798 (3), 2009 stats., or s. 560.7995 (4), 2009 stats., for
21 tax benefits ceases business operations in the development zone during any of the
22 taxable years that that zone exists, that person may not carry over to any taxable
23 year following the year during which operations cease any unused credits from the
24 taxable year during which operations cease or from previous taxable years.

25 **SECTION 1949.** 71.28 (1dy) (a) of the statutes is amended to read:

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1 71.28 (1dy) (a) *Definition*. In this subsection, "claimant" means a person who
2 files a claim under this subsection and is certified under s. 238.301 (2) or s. 560.701
3 (2), 2009 stats., and authorized to claim tax benefits under s. 238.303 or s. 560.703,
4 2009 stats.

5 **SECTION 1950.** 71.28 (1dy) (b) of the statutes is amended to read:

6 71.28 (1dy) (b) *Filing claims*. Subject to the limitations under this subsection
7 and ss. 238.301 to 238.306 or s. 560.701 to 560.706, 2009 stats., for taxable years
8 beginning after December 31, 2008, a claimant may claim as a credit against the tax
9 imposed under s. 71.23, up to the amount of the tax, the amount authorized for the
10 claimant under s. 238.303 or s. 560.703, 2009 stats.

11 **SECTION 1951.** 71.28 (1dy) (c) 1. of the statutes is amended to read:

12 71.28 (1dy) (c) 1. 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
14 under s. 238.301 (2) or s. 560.701 (2), 2009 stats., and a copy of the claimant's notice
15 of eligibility to receive tax benefits under s. 238.303 (3) or s. 560.703 (3), 2009 stats.

16 **SECTION 1952.** 71.28 (1dy) (c) 2. of the statutes is amended to read:

17 71.28 (1dy) (c) 2. Partnerships, limited liability companies, and tax-option
18 corporations may not claim the credit under this subsection, but the eligibility for,
19 and the amount of, the credit are based on their authorization to claim tax benefits
20 under s. 238.303 or s. 560.703, 2009 stats. A partnership, limited liability company,
21 or tax-option corporation shall compute the amount of credit that each of its
22 partners, members, or shareholders may claim and shall provide that information
23 to each of them. Partners, members of limited liability companies, and shareholders
24 of tax-option corporations may claim the credit in proportion to their ownership
25 interests.

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1 **SECTION 1953.** 71.28 (1dy) (d) 2. of the statutes is amended to read:

2 71.28 **(1dy)** (d) 2. If a claimant's certification is revoked under s. 238.305 or s.
3 560.705, 2009 stats., or if a claimant becomes ineligible for tax benefits under s.
4 238.302 or s. 560.702, 2009 stats., the claimant may not claim credits under this
5 subsection for the taxable year that includes the day on which the certification is
6 revoked; the taxable year that includes the day on which the claimant becomes
7 ineligible for tax benefits; or succeeding taxable years and the claimant may not
8 carry over unused credits from previous years to offset the tax imposed under s. 71.23
9 for the taxable year that includes the day on which certification is revoked; the
10 taxable year that includes the day on which the claimant becomes ineligible for tax
11 benefits; or succeeding taxable years.

12 **SECTION 1954.** 71.28 (3g) (a) (intro.) of the statutes is amended to read:

13 71.28 **(3g)** (a) (intro.) Subject to the limitations under this subsection and ss.
14 73.03 (35m) and 238.23 and s. 560.96, 2009 stats., a business that is certified under
15 s. 238.23 (3) or s. 560.96 (3), 2009 stats., may claim as a credit against the taxes
16 imposed under s. 71.23 an amount equal to the sum of the following, as established
17 under s. 238.23 (3) (c) or s. 560.96 (3) (c), 2009 stats.:

18 **SECTION 1955.** 71.28 (3g) (b) of the statutes is amended to read:

19 71.28 **(3g)** (b) The department of revenue shall notify the department of
20 commerce or the Wisconsin Economic Development Corporation of all claims under
21 this subsection.

22 **SECTION 1956.** 71.28 (3g) (e) 2. of the statutes is amended to read:

23 71.28 **(3g)** (e) 2. The investments that relate to the amount described under par.
24 (a) 2. for which a claimant makes a claim under this subsection must be retained for

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1 use in the technology zone for the period during which the claimant's business is
2 certified under s. 238.23 (3) or s. 560.96 (3), 2009 stats.

3 **SECTION 1957.** 71.28 (3g) (f) 1. of the statutes is amended to read:

4 71.28 (3g) (f) 1. A copy of ~~a the verification from the department of commerce~~
5 that the claimant's business is certified under s. 238.23 (3) or s. 560.96 (3), 2009
6 stats., and that the business ~~and the department of commerce have~~ has entered into
7 an agreement under s. 238.23 (3) (d) or s. 560.96 (3) (d), 2009 stats.

8 **SECTION 1958.** 71.28 (3g) (f) 2. of the statutes is amended to read:

9 71.28 (3g) (f) 2. A statement from the department of commerce or the Wisconsin
10 Economic Development Corporation verifying the purchase price of the investment
11 described under par. (a) 2. and verifying that the investment fulfills the requirement
12 under par. (e) 2.

13 **SECTION 1959.** 71.28 (3p) (b) of the statutes is amended to read:

14 71.28 (3p) (b) *Filing claims.* Subject to the limitations provided in this
15 subsection and s. 93.535 or s. 560.207, 2009 stats., except as provided in par. (c) 5.,
16 for taxable years beginning after December 31, 2006, and before January 1, 2015, a
17 claimant may claim as a credit against the taxes imposed under s. 71.23, up to the
18 amount of the tax, an amount equal to 10 percent of the amount the claimant paid
19 in the taxable year for dairy manufacturing modernization or expansion related to
20 the claimant's dairy manufacturing operation.

21 **SECTION 1960.** 71.28 (3p) (c) 2m. a. of the statutes is amended to read:

22 71.28 (3p) (c) 2m. a. The maximum amount of the credits that may be claimed
23 under this subsection and ss. 71.07 (3p) and 71.47 (3p) in fiscal year 2007-08 is
24 \$600,000, as allocated under s. 560.207, 2009 stats.

25 **SECTION 1961.** 71.28 (3p) (c) 2m. b. of the statutes is amended to read:

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1 71.28 (3p) (c) 2m. b. The maximum amount of the credits that may be claimed
2 by all claimants, other than members of dairy cooperatives, under this subsection
3 and ss. 71.07 (3p) and 71.47 (3p) in fiscal year 2008-09, and in each fiscal year
4 thereafter, is \$700,000, as allocated under s. 93.535 or s. 560.207, 2009 stats.

5 **SECTION 1962.** 71.28 (3p) (c) 2m. bm. of the statutes is amended to read:

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

13 **SECTION 1963.** 71.28 (3p) (c) 3. of the statutes is amended to read:

14 71.28 (3p) (c) 3. Partnerships, limited liability companies, tax-option
15 corporations, and dairy cooperatives may not claim the credit under this subsection,
16 but the eligibility for, and the amount of, the credit are based on their payment of
17 expenses under par. (b), except that the aggregate amount of credits that ~~the entity~~
18 a dairy cooperative may compute shall not exceed \$200,000 for each of the ~~entity's~~
19 cooperative's dairy manufacturing facilities. A partnership, limited liability
20 company, tax-option corporation, or dairy cooperative shall compute the amount of
21 credit that each of its partners, members, or shareholders may claim and shall
22 provide that information to each of them. Partners, members of limited liability
23 companies, and shareholders of tax-option corporations may claim the credit in
24 proportion to their ownership interest. Members of a dairy cooperative may claim

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1 the credit in proportion to the amount of milk that each member delivers to the dairy
2 cooperative, as determined by the dairy cooperative.

3 **SECTION 1964.** 71.28 (3p) (c) 6. of the statutes is amended to read:

4 71.28 (3p) (c) 6. No credit may be allowed under this subsection unless the
5 claimant submits with the claimant's return a copy of the claimant's credit
6 certification and allocation under s. 93.535 or s. 560.207, 2009 stats.

7 **SECTION 1965.** 71.28 (3q) (a) 1. of the statutes is amended to read:

8 71.28 (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 **SECTION 1966.** 71.28 (3q) (a) 2. of the statutes is amended to read:

11 71.28 (3q) (a) 2. "Eligible employee" means, for taxable years beginning before
12 January 1, 2011, an eligible employee under s. 560.2055 (1) (b), 2009 stats., who
13 satisfies the wage requirements under s. 560.2055 (3) (a) or (b), 2009 stats., or, for
14 taxable years beginning after December 31, 2010, an eligible employee under s.
15 238.16 (1) (b).

16 **SECTION 1967.** 71.28 (3q) (b) (intro.) of the statutes is amended to read:

17 71.28 (3q) (b) *Filing claims.* (intro.) Subject to the limitations provided in this
18 subsection and s. 238.16 or s. 560.2055, 2009 stats., for taxable years beginning after
19 December 31, 2009, a claimant may claim as a credit against the taxes imposed under
20 s. 71.23 any of the following:

21 **SECTION 1968.** 71.28 (3q) (b) 1. of the statutes is amended to read:

22 71.28 (3q) (b) 1. The amount of wages that the claimant paid to an eligible
23 employee in the taxable year, not to exceed 10 percent of such wages, as determined
24 ~~by the department of commerce~~ under s. 238.16 or s. 560.2055, 2009 stats.

25 **SECTION 1969.** 71.28 (3q) (b) 2. of the statutes is amended to read:

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1 71.28 (3q) (b) 2. The amount of the costs incurred by the claimant in the taxable
2 year, as determined under s. 238.16 or s. 560.2055, 2009 stats., to undertake the
3 training activities described under s. 238.16 (3) (c) or s. 560.2055 (3) (c), 2009 stats.

4 **SECTION 1970.** 71.28 (3q) (c) 2. of the statutes is amended to read:

5 71.28 (3q) (c) 2. No credit may be allowed under this subsection unless the
6 claimant includes with the claimant's return a copy of the claimant's certification for
7 tax benefits under s. 238.16 (2) or s. 560.2055 (2), 2009 stats.

8 **SECTION 1971.** 71.28 (3q) (c) 3. of the statutes is amended to read:

9 71.28 (3q) (c) 3. The maximum amount of credits that may be awarded under
10 this subsection and ss. 71.07 (3q) and 71.47 (3q) for the period beginning on January
11 1, 2010, and ending on June 30, 2013, is \$14,500,000, not including the amount of
12 any credits reallocated under s. 238.15 (3) (d) or s. 560.205 (3) (d), 2009 stats.

13 **SECTION 1972.** 71.28 (3r) (b) of the statutes is amended to read:

14 71.28 (3r) (b) *Filing claims.* Subject to the limitations provided in this
15 subsection and s. 238.19 or s. 560.208, 2009 stats., for taxable years beginning after
16 December 31, 2008, and before January 1, 2017, a claimant may claim as a credit
17 against the taxes imposed under s. 71.23, up to the amount of the tax, an amount
18 equal to 10 percent of the amount the claimant paid in the taxable year for meat
19 processing modernization or expansion related to the claimant's meat processing
20 operation.

21 **SECTION 1973.** 71.28 (3r) (c) 3. a. of the statutes is amended to read:

22 71.28 (3r) (c) 3. a. The maximum amount of the credits that may be allocated
23 under this subsection and ss. 71.07 (3r) and 71.47 (3r) in fiscal year 2009-10 is
24 \$300,000, as allocated under s. 560.208, 2009 stats.

25 **SECTION 1974.** 71.28 (3r) (c) 3. b. of the statutes is amended to read:

BILL**SECTION 1974**

1 71.28 (3r) (c) 3. b. The maximum amount of the credits that may be allocated
2 under this subsection and ss. 71.07 (3r) and 71.47 (3r) in fiscal year 2010-11, and in
3 each fiscal year thereafter, is \$700,000, as allocated under s. 238.19 or s. 560.208,
4 2009 stats.

5 **SECTION 1975.** 71.28 (3r) (c) 6. of the statutes is amended to read:

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

9 **SECTION 1976.** 71.28 (3rm) (b) of the statutes is amended to read:

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

17 **SECTION 1977.** 71.28 (3rm) (c) 3. of the statutes is amended to read:

18 71.28 (3rm) (c) 3. The maximum amount of the credits that may be claimed
19 under this subsection and ss. 71.07 (3rm) and 71.47 (3rm) is \$900,000, as allocated
20 under s. 238.21 or s. 560.209, 2009 stats.

21 **SECTION 1978.** 71.28 (3rn) (b) of the statutes is amended to read:

22 71.28 (3rn) (b) *Filing claims.* Subject to the limitations provided in this
23 subsection and s. ~~506.2056~~ 238.17 or s. 560.2056, 2009 stats., for taxable years
24 beginning after December 31, 2009, and before January 1, 2017, a claimant may
25 claim as a credit against the tax imposed under s. 71.23, up to the amount of the tax,

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1 an amount equal to 10 percent of the amount the claimant paid in the taxable year
2 for food processing or food warehousing modernization or expansion related to the
3 operation of the claimant's food processing plant or food warehouse.

4 **SECTION 1979.** 71.28 (3rn) (c) 3. a. of the statutes is amended to read:

5 71.28 (3rn) (c) 3. a. The maximum amount of the credits that may be allocated
6 under this subsection and ss. 71.07 (3rn) and 71.47 (3rn) in fiscal year 2009-10 is
7 \$1,000,000, as allocated under s. 560.2056, 2009 stats.

8 **SECTION 1980.** 71.28 (3rn) (c) 3. b. of the statutes is amended to read:

9 71.28 (3rn) (c) 3. b. The maximum amount of the credits that may be allocated
10 under this subsection and ss. 71.07 (3rn) and 71.47 (3rn) in fiscal year 2010-11 is
11 \$1,200,000, as allocated under s. 560.2056, 2009 stats.

12 **SECTION 1981.** 71.28 (3rn) (c) 3. c. of the statutes is amended to read:

13 71.28 (3rn) (c) 3. c. The maximum amount of the credits that may be allocated
14 under this subsection and ss. 71.07 (3rn) and 71.47 (3rn) in fiscal year 2011-12, and
15 in each year thereafter, is \$700,000, as allocated under s. 238.17 or s. 560.2056, 2009
16 stats.

17 **SECTION 1982.** 71.28 (3rn) (c) 6. of the statutes is amended to read:

18 71.28 (3rn) (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. 238.17 or s. 560.2056, 2009 stats.

21 **SECTION 1983.** 71.28 (3t) (b) of the statutes is amended to read:

22 71.28 (3t) (b) *Credit.* Subject to the limitations provided in this subsection and
23 in s. 560.28, 2009 stats., for taxable years beginning after December 31, 2007, a
24 claimant may claim as a credit, amortized over 15 taxable years starting with the
25 taxable year beginning after December 31, 2007, against the tax imposed under s.

BILL**SECTION 1983**

1 71.23, up to the amount of the tax, an amount equal to the claimant's unused credits
2 under s. 71.28 (3).

3 **SECTION 1984.** 71.28 (3t) (c) 1. of the statutes is amended to read:

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

11 **SECTION 1985.** 71.28 (3w) (a) 2. of the statutes is amended to read:

12 71.28 (3w) (a) 2. "Claimant" means a person who is certified to claim tax
13 benefits under s. 238.399 (5) or s. 560.799 (5), 2009 stats., and who files a claim under
14 this subsection.

15 **SECTION 1986.** 71.28 (3w) (a) 3. of the statutes is amended to read:

16 71.28 (3w) (a) 3. "Full-time employee" means a full-time employee, as defined
17 in s. 238.399 (1) (am) or s. 560.799 (1) (am), 2009 stats.

18 **SECTION 1987.** 71.28 (3w) (a) 4. of the statutes is amended to read:

19 71.28 (3w) (a) 4. "Enterprise zone" means a zone designated under s. 238.399
20 or s. 560.799, 2009 stats.

21 **SECTION 1988.** 71.28 (3w) (a) 5d. of the statutes is amended to read:

22 71.28 (3w) (a) 5d. "Tier I county or municipality" means a tier I county or
23 municipality, as determined by ~~the department of commerce~~ under s. 238.399 or s.
24 560.799, 2009 stats.

25 **SECTION 1989.** 71.28 (3w) (a) 5e. of the statutes is amended to read:

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1 71.28 (3w) (a) 5e. "Tier II county or municipality" means a tier II county or
2 municipality, as determined by ~~the department of commerce~~ under s. 238.399 or s.
3 560.799, 2009 stats.

4 **SECTION 1990.** 71.28 (3w) (b) (intro.) of the statutes is amended to read:

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

9 **SECTION 1991.** 71.28 (3w) (b) 5. of the statutes is amended to read:

10 71.28 (3w) (b) 5. Multiply the amount determined under subd. 4. by the
11 percentage determined by ~~the department of commerce~~ under s. 238.399 or s.
12 560.799, 2009 stats., not to exceed 7 percent.

13 **SECTION 1992.** 71.28 (3w) (bm) 1. of the statutes is amended to read:

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

25 **SECTION 1993.** 71.28 (3w) (bm) 2. of the statutes is amended to read:

BILL**SECTION 1993**

1 71.28 (3w) (bm) 2. In addition to the credits under par. (b) and subs. 1., 3., and
2 4., and subject to the limitations provided in this subsection and s. 238.399 or s.
3 560.799, 2009 stats., a claimant may claim as a credit against the tax imposed under
4 s. 71.23 an amount equal to the percentage, as determined ~~by the department of~~
5 ~~commerce~~ under s. 238.399 or s. 560.799, 2009 stats., not to exceed 7 percent, of the
6 claimant's zone payroll paid in the taxable year to all of the claimant's full-time
7 employees whose annual wages are greater than \$20,000 in a tier I county or
8 municipality, not including the wages paid to the employees determined under par.
9 (b) 1., or greater than \$30,000 in a tier II county or municipality, not including the
10 wages paid to the employees determined under par. (b) 1., and who the claimant
11 employed in the enterprise zone in the taxable year, if the total number of such
12 employees is equal to or greater than the total number of such employees in the base
13 year. A claimant may claim a credit under this subdivision for no more than 5
14 consecutive taxable years.

15 **SECTION 1994.** 71.28 (3w) (bm) 3. of the statutes is amended to read:

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

22 **SECTION 1995.** 71.28 (3w) (bm) 4. of the statutes is amended to read:

23 71.28 (3w) (bm) 4. In addition to the credits under par. (b) and subs. 1., 2., and
24 3., 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, 2009, a claimant

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1 may claim as a credit against the tax imposed under s. 71.23, up to 1 percent of the
2 amount that the claimant paid in the taxable year to purchase tangible personal
3 property, items, property, or goods under s. 77.52 (1) (b), (c), or (d), or services from
4 Wisconsin vendors, as determined by the department of commerce under s. 238.399
5 (5) (e) or s. 560.799 (5) (e), 2009 stats., except that the claimant may not claim the
6 credit under this subdivision and subd. 3. for the same expenditures.

7 **SECTION 1996.** 71.28 (3w) (c) 3. of the statutes is amended to read:

8 71.28 (3w) (c) 3. No credit may be allowed under this subsection unless the
9 claimant includes with the claimant's return a copy of the claimant's certification for
10 tax benefits under s. 238.399 (5) or (5m) or s. 560.799 (5) or (5m), 2009 stats.

11 **SECTION 1997.** 71.28 (3w) (d) of the statutes is amended to read:

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

17 **SECTION 1998.** 71.28 (4) (am) 1. of the statutes is amended to read:

18 71.28 (4) (am) 1. In addition to the credit under par. (ad), any corporation may
19 credit against taxes otherwise due under this chapter an amount equal to 5 percent
20 of the amount obtained by subtracting from the corporation's qualified research
21 expenses, as defined in section 41 of the Internal Revenue Code, except that
22 "qualified research expenses" include only expenses incurred by the claimant in a
23 development zone under subch. II of ch. 238 or subch. VI of ch. 560, 2009 stats., except
24 that a taxpayer may elect the alternative computation under section 41 (c) (4) of the
25 Internal Revenue Code and that election applies until the department permits its

BILL**SECTION 1998**

1 revocation and except that “qualified research expenses” do not include
2 compensation used in computing the credit under sub. (1dj) nor research expenses
3 incurred before the claimant is certified for tax benefits under s. 238.365 (3) or s.
4 560.765 (3), 2009 stats., the corporation’s base amount, as defined in section 41 (c)
5 of the Internal Revenue Code, in a development zone, except that gross receipts used
6 in calculating the base amount means gross receipts from sales attributable to
7 Wisconsin under s. 71.25 (9) (b) 1. and 2., (df) 1. and 2., (dh) 1., 2., and 3., (dj), and
8 (dk) and research expenses used in calculating the base amount include research
9 expenses incurred before the claimant is certified for tax benefits under s. 238.365
10 (3) or s. 560.765 (3), 2009 stats., in a development zone, if the claimant submits with
11 the claimant’s return a copy of the claimant’s certification for tax benefits under s.
12 238.365 (3) or s. 560.765 (3), 2009 stats., and a statement from the department of
13 commerce or the Wisconsin Economic Development Corporation verifying the
14 claimant’s qualified research expenses for research conducted exclusively in a
15 development zone. The rules under s. 73.03 (35) apply to the credit under this
16 subdivision. The rules under sub. (1di) (f) and (g) as they apply to the credit under
17 that subsection apply to claims under this subdivision. Section 41 (h) of the Internal
18 Revenue Code does not apply to the credit under this subdivision.

19 **SECTION 1999.** 71.28 (4) (am) 2. of the statutes is amended to read:

20 71.28 (4) (am) 2. The development zones credit under subd. 1., as it applies to
21 a person certified under s. 238.365 (3) or s. 560.765 (3), 2009 stats., applies to a
22 corporation that conducts economic activity in a development opportunity zone
23 under s. 238.395 (1) or s. 560.795 (1), 2009 stats., and that is entitled to tax benefits
24 under s. 238.395 (3) or s. 560.795 (3), 2009 stats., subject to the limits under s.
25 238.395 (2) or s. 560.795 (2), 2009 stats. A development opportunity zone credit

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1 under this subdivision may be calculated using expenses incurred by a claimant
2 beginning on the effective date under s. 238.395 (2) (a) or s. 560.795 (2) (a), 2009
3 stats., of the development opportunity zone designation of the area in which the
4 claimant conducts economic activity.

5 **SECTION 2000.** 71.28 (5b) (a) 2. of the statutes is amended to read:

6 71.28 (5b) (a) 2. "Fund manager" means an investment fund manager certified
7 under s. 238.15 (2) or s. 560.205 (2), 2009 stats.

8 **SECTION 2001.** 71.28 (5b) (b) 1. of the statutes is amended to read:

9 71.28 (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 s. 71.23, up to the amount of those taxes, 25 percent of the
13 claimant's investment paid to a fund manager that the fund manager invests in a
14 business certified under s. 238.15 (1) or s. 560.205 (1), 2009 stats.

15 **SECTION 2002.** 71.28 (5b) (b) 2. of the statutes is amended to read:

16 71.28 (5b) (b) 2. In the case of a partnership, limited liability company, or
17 tax-option corporation, the computation of the 25 percent limitation under subd. 1.
18 shall be determined at the entity level rather than the claimant level and may be
19 allocated among the claimants who make investments in the manner set forth in the
20 entity's organizational documents. The entity shall provide to the department of
21 revenue and to the department of commerce or the Wisconsin Economic
22 Development Corporation the names and tax identification numbers of the
23 claimants, the amounts of the credits allocated to the claimants, and the
24 computation of the allocations.

25 **SECTION 2003.** 71.28 (5b) (d) 3. of the statutes is amended to read:

BILL**SECTION 2003**

1 71.28 **(5b)** (d) 3. For ~~calendar years beginning~~ investments made after
2 December 31, 2007, if an investment for which a claimant claims a credit under par.
3 (b) is held by the claimant for less than 3 years, the claimant shall pay to the
4 department, in the manner prescribed by the department, the amount of the credit
5 that the claimant received related to the investment.

6 **SECTION 2004.** 71.28 (5f) (a) 1. (intro.) of the statutes is amended to read:

7 71.28 **(5f)** (a) 1. (intro.) “Accredited production” means a film, video, broadcast
8 advertisement, or television production, as approved by the department of commerce
9 or the department of tourism, for which the aggregate salary and wages included in
10 the cost of the production for the period ending 12 months after the month in which
11 the principal filming or taping of the production begins exceeds \$50,000. “Accredited
12 production” also means an electronic game, as approved by the department of
13 commerce or the department of tourism, for which the aggregate salary and wages
14 included in the cost of the production for the period ending 36 months after the month
15 in which the principal programming, filming, or taping of the production begins
16 exceeds \$100,000. “Accredited production” does not include any of the following,
17 regardless of the production costs:

18 **SECTION 2005.** 71.28 (5f) (a) 3. of the statutes is amended to read:

19 71.28 **(5f)** (a) 3. “Production expenditures” means any expenditures that are
20 incurred in this state and directly used to produce an accredited production,
21 including expenditures for set construction and operation, wardrobes, make-up,
22 clothing accessories, photography, sound recording, sound synchronization, sound
23 mixing, lighting, editing, film processing, film transferring, special effects, visual
24 effects, renting or leasing facilities or equipment, renting or leasing motor vehicles,
25 food, lodging, and any other similar expenditure as determined by the department

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1 of commerce or the department of tourism. “Production expenditures” do not include
2 salary, wages, or labor-related contract payments.

3 **SECTION 2006.** 71.28 (5f) (c) 6. of the statutes is amended to read:

4 71.28 (5f) (c) 6. No credit may be allowed under this subsection unless the
5 claimant files an application with the department of commerce or the department of
6 tourism, at the time and in the manner prescribed by the department of commerce
7 or the department of tourism, and the department of commerce or the department
8 of tourism approves the application. The claimant shall submit a fee with the
9 application in an amount equal to 2 percent of the claimant’s budgeted production
10 expenditures or to \$5,000, whichever is less. The claimant shall submit a copy of the
11 approved application with the claimant’s return.

12 **SECTION 2007.** 71.28 (5h) (c) 4. of the statutes is amended to read:

13 71.28 (5h) (c) 4. No claim may be allowed under this subsection unless the
14 department of commerce or the department of tourism certifies, in writing, that the
15 credits claimed under this subsection are for expenses related to establishing or
16 operating a film production company in this state and the claimant submits a copy
17 of the certification with the claimant’s return.

18 **SECTION 2008.** 71.28 (5i) (c) 1. of the statutes is amended to read:

19 71.28 (5i) (c) 1. The maximum amount of the credits that may be claimed under
20 this subsection and ss. 71.07 (5i) and 71.47 (5i) in a taxable year is \$10,000,000, as
21 allocated under s. 238.14 or s. 560.204, 2009 stats.

22 **SECTION 2009.** 71.28 (5j) (a) 2d. of the statutes is amended to read:

23 71.28 (5j) (a) 2d. “Diesel replacement renewable fuel” includes biodiesel and
24 any other fuel derived from a renewable resource that meets all of the applicable
25 requirements of the American Society for Testing and Materials for that fuel and that

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

3 **SECTION 2010.** 71.28 (5j) (a) 2m. of the statutes is amended to read:

4 71.28 (5j) (a) 2m. "Gasoline replacement renewable fuel" includes ethanol and
5 any other fuel derived from a renewable resource that meets all of the applicable
6 requirements of the American Society for Testing and Materials for that fuel and that
7 the department of commerce or the department of safety and professional services
8 designates by rule as a gasoline replacement renewable fuel.

9 **SECTION 2011.** 71.28 (5j) (c) 3. of the statutes is amended to read:

10 71.28 (5j) (c) 3. The department of commerce or the department of safety and
11 professional services shall establish standards to adequately prevent, in the
12 distribution of conventional fuel to an end user, the inadvertent distribution of fuel
13 containing a higher percentage of renewable fuel than the maximum percentage
14 established by the federal environmental protection agency for use in
15 conventionally-fueled engines.

16 **SECTION 2012.** 71.28 (5r) (a) 6. a. of the statutes is amended to read:

17 71.28 (5r) (a) 6. a. A University of Wisconsin System institution, the University
18 of Wisconsin-Madison, a technical college system institution, or a regionally
19 accredited 4-year nonprofit college or university having its regional headquarters
20 and principal place of business in this state.

21 **SECTION 2013.** 71.34 (1g) (um) of the statutes is amended to read:

22 71.34 (1g) (um) "Internal Revenue Code" for tax-option corporations, for
23 taxable years that begin after December 31, 2008, means the federal Internal
24 Revenue Code as amended to December 31, 2008, excluding sections 103, 104, and
25 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.

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1 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188,
2 sections 1, 3, 4, and 5 of P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L.
3 106-573, section 431 of P.L. 107-16, sections 101 and 301 (a) of P.L. 107-147, sections
4 106, 201, and 202 of P.L. 108-27, section 1201 of P.L. 108-173, sections 306, 308, 316,
5 401, and 403 (a) of P.L. 108-311, sections 101, 102, 201, 211, 242, 244, 336, 337, 422,
6 847, 909, and 910 of P.L. 108-357, P.L. 109-1, sections 1305, 1308, 1309, 1310, 1323,
7 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, section 11146 of P.L.
8 109-59, section 301 of P.L. 109-73, sections 101, 105, 201 (a) as it relates to section
9 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, sections 101, 207, 209,
10 503, and 513 of P.L. 109-222, ~~section 844 of P.L. 109-280, P.L. 109-432, P.L. 110-28,~~
11 ~~P.L. 110-140, P.L. 110-141, P.L. 110-142, P.L. 110-166, P.L. 110-172, P.L. 110-185,~~
12 ~~P.L. 110-234, sections 110, 113, and 301 of P.L. 110-245, P.L. 110-246, except section~~
13 ~~15316 of P.L. 110-246, P.L. 110-289, P.L. 110-317, P.L. 110-343, except section 301~~
14 ~~of division B and section 313 of division C of P.L. 110-343, and P.L. 110-351, and as~~
15 ~~amended by sections 1401, 1402, 1521, 1522, and 1531 of division B of P.L. 111-5,~~
16 ~~section 301 of P.L. 111-147, and sections 2111, 2112, and 2113 of P.L. 111-240, and~~
17 ~~as indirectly affected in the provisions applicable to this subchapter by P.L. 99-514,~~
18 ~~P.L. 100-203, P.L. 100-647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2),~~
19 ~~821 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L.~~
20 ~~101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,~~
21 ~~excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.~~
22 ~~103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.~~
23 ~~103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,~~
24 ~~excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.~~
25 ~~104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.~~

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1 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections
2 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L.
3 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections
4 101 and 301 (a) of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L.
5 107-358, P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L.
6 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L.
7 108-218, P.L. 108-311, excluding sections 306, 308, 316, 401, and 403 (a) of P.L.
8 108-311, P.L. 108-357, excluding sections 101, 102, 201, 211, 242, 244, 336, 337, 422,
9 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7, P.L.
10 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328,
11 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-59, excluding section 11146 of P.L.
12 109-59, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding
13 sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and
14 (q), and 405 of P.L. 109-135, P.L. 109-151, P.L. 109-222, excluding sections 101, 207,
15 209, 503, and 513 of P.L. 109-222, P.L. 109-227, P.L. 109-280, ~~excluding section 844~~
16 ~~of P.L. 109-280, P.L. 110-245, excluding sections 110, 113, and 301 of P.L. 110-245,~~
17 ~~and section 15316 of P.L. 110-246, section 301 of division B and section 313 of division~~
18 ~~C of P.L. 110-343, P.L. 110-458, sections 1401, 1402, 1521, 1522, and 1531 of division~~
19 ~~B of P.L. 111-5, section 301 of P.L. 111-147, and sections 2111, 2112, and 2113 of P.L.~~
20 ~~111-240, except that section 1366 (f) (relating to pass-through of items to~~
21 ~~shareholders) is modified by substituting the tax under s. 71.35 for the taxes under~~
22 ~~sections 1374 and 1375. The Internal Revenue Code applies for Wisconsin purposes~~
23 ~~at the same time as for federal purposes. Amendments to the federal Internal~~
24 ~~Revenue Code enacted after December 31, 2008, do not apply to this paragraph with~~
25 ~~respect to taxable years beginning after December 31, 2008, except that changes to~~

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1 the Internal Revenue Code made by sections 1401, 1402, 1521, 1522, and 1531 of
2 division B of P.L. 111-5, section 301 of P.L. 111-147, and sections 2111, 2112, and 2113
3 of P.L. 111-240, and changes that indirectly affect the provisions applicable to this
4 subchapter made by sections 1401, 1402, 1521, 1522, and 1531 of division B of P.L.
5 111-5, section 301 of P.L. 111-147, and sections 2111, 2112, and 2113 of P.L. 111-240,
6 apply for Wisconsin purposes at the same time as for federal purposes.

7 **SECTION 2014.** 71.42 (2) (tm) of the statutes is amended to read:

8 71.42 (2) (tm) For taxable years that begin after December 31, 2008, "Internal
9 Revenue Code" means the federal Internal Revenue Code as amended to
10 December 31, 2008, excluding sections 103, 104, and 110 of P.L. 102-227, sections
11 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b),
12 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, sections 1, 3, 4, and 5 of P.L.
13 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573, section 431 of P.L.
14 107-16, sections 101 and 301 (a) of P.L. 107-147, sections 106, 201, and 202 of P.L.
15 108-27, section 1201 of P.L. 108-173, sections 306, 308, 316, 401, and 403 (a) of P.L.
16 108-311, sections 101, 102, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L.
17 108-357, P.L. 109-1, sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328,
18 1329, 1348, and 1351 of P.L. 109-58, section 11146 of P.L. 109-59, section 301 of P.L.
19 109-73, sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e),
20 (j), and (q), and 405 of P.L. 109-135, sections 101, 207, 209, 503, and 513 of P.L.
21 109-222, ~~section 844 of P.L. 109-280~~, P.L. 109-432, P.L. 110-28, P.L. 110-140, P.L.
22 110-141, P.L. 110-142, P.L. 110-166, P.L. 110-172, P.L. 110-185, P.L. 110-234,
23 sections 110, 113, and 301 of P.L. 110-245, P.L. 110-246, except section 15316 of P.L.
24 110-246, P.L. 110-289, P.L. 110-317, P.L. 110-343, except section 301 of division B
25 and section 313 of division C of P.L. 110-343, and P.L. 110-351, and as amendeded by

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1 sections 1401, 1402, 1521, 1522, and 1531 of division B of P.L. 111-5, section 301 of
2 P.L. 111-147, and sections 2111, 2112, and 2113 of P.L. 111-240, and as indirectly
3 affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L.
4 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and
5 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections
6 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L.
7 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202
8 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.
9 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L.
10 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554,
11 P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L.
12 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and 301 (a) of P.L.
13 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27,
14 excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, P.L. 108-173,
15 excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311,
16 excluding sections 306, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357,
17 excluding sections 101, 102, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of
18 P.L. 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections
19 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L.
20 109-58, P.L. 109-59, excluding section 11146 of P.L. 109-59, P.L. 109-73, excluding
21 section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it
22 relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L.
23 109-151, P.L. 109-222, excluding sections 101, 207, 209, 503, and 513 of P.L.
24 109-222, P.L. 109-227, P.L. 109-280, ~~excluding section 844 of P.L. 109-280, P.L.~~
25 110-245, excluding sections 110, 113, and 301 of P.L. 110-245, and section 15316 of

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1 P.L. 110-246, section 301 of division B and section 313 of division C of P.L. 110-343,
2 P.L. 110-458, sections 1401, 1402, 1521, 1522, and 1531 of division B of P.L. 111-5,
3 section 301 of P.L. 111-147, and sections 2111, 2112, and 2113 of P.L. 111-240, except
4 that "Internal Revenue Code" does not include section 847 of the federal Internal
5 Revenue Code. The Internal Revenue Code applies for Wisconsin purposes at the
6 same time as for federal purposes. Amendments to the federal Internal Revenue
7 Code enacted after December 31, 2008, do not apply to this paragraph with respect
8 to taxable years beginning after December 31, 2008, except that changes to the
9 Internal Revenue Code made sections 1401, 1402, 1521, 1522, and 1531 of division
10 B of P.L. 111-5, section 301 of P.L. 111-147, and sections 2111, 2112, and 2113 of P.L.
11 111-240, and changes that indirectly affect the provisions applicable to this
12 subchapter made by sections 1401, 1402, 1521, 1522, and 1531 of division B of P.L.
13 111-5, section 301 of P.L. 111-147, and sections 2111, 2112, and 2113 of P.L. 111-240,
14 apply for Wisconsin purposes at the same time as for federal purposes.

15 **SECTION 2015.** 71.45 (1t) (L) of the statutes is created to read:

16 71.45 (1t) (L) Those issued under s. 231.03 (6), if the bonds or notes are issued
17 to a person who is eligible to receive bonds or notes from another issuer for the same
18 purpose for which the person is issued bonds or notes under s. 231.03 (6) and the
19 interest income received from the other bonds or notes is exempt from taxation under
20 this subchapter.

21 **SECTION 2016.** 71.47 (1dd) (b) of the statutes is amended to read:

22 71.47 (1dd) (b) Except as provided in s. 73.03 (35), for any taxable year for
23 which that person is certified under s. 560.765 (3), 2009 stats., and begins business
24 operations in a zone under s. 560.71, 2009 stats., after July 29, 1995, or certified
25 under s. 560.797 (4) (a), 2009 stats., for each zone for which the person is certified

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1 or entitled a person may credit against taxes otherwise due under this subchapter
2 employment-related day care expenses, up to \$1,200 for each qualifying individual.

3 **SECTION 2017.** 71.47 (1de) (a) (intro.) of the statutes is amended to read:

4 71.47 (1de) (a) (intro.) Except as provided in s. 73.03 (35), for any taxable year
5 for which a person is certified under s. 560.765 (3), 2009 stats., and begins business
6 operations in a zone under s. 560.71, 2009 stats., after July 29, 1995, or certified
7 under s. 560.797 (4) (a), 2009 stats., for each zone for which the person is certified
8 or entitled the person may claim as a credit against taxes otherwise due under this
9 subchapter an amount equal to 7.5% of the amount that the person expends to
10 remove or contain environmental pollution, as defined in s. 299.01 (4), in the zone or
11 to restore soil or groundwater that is affected by environmental pollution, as defined
12 in s. 299.01 (4), in the zone if the person fulfills all of the following requirements:

13 **SECTION 2018.** 71.47 (1de) (a) 1. of the statutes is amended to read:

14 71.47 (1de) (a) 1. Begins the work, other than planning and investigating, for
15 which the credit is claimed after the area that includes the site where the work is
16 done is designated a development zone under s. 560.71, 2009 stats., or an enterprise
17 development zone under s. 560.797, 2009 stats., and after the claimant is certified
18 under s. 560.765 (3), 2009 stats., or certified under s. 560.797 (4) (a), 2009 stats.

19 **SECTION 2019.** 71.47 (1di) (a) (intro.) of the statutes is amended to read:

20 71.47 (1di) (a) (intro.) Except as provided in pars. (dm) and (f) and s. 73.03 (35),
21 for any taxable year for which the person is entitled under s. 560.795 (3), 2009 stats.,
22 to claim tax benefits, any person may claim as a credit against taxes otherwise due
23 under this chapter 2.5% of the purchase price of depreciable, tangible personal
24 property, or 1.75% of the purchase price of depreciable, tangible personal property

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1 that is expensed under section 179 of the internal revenue code for purposes of the
2 taxes under this chapter, except that:

3 **SECTION 2020.** 71.47 (1di) (a) 1. of the statutes is amended to read:

4 71.47 (1di) (a) 1. The investment must be in property that is purchased after
5 the person is entitled under s. 560.795 (3), 2009 stats., to claim tax benefits and that
6 is used for at least 50% of its use in the conduct of the person's business operations
7 at a location in a development zone under subch. VI of ch. 560, 2009 stats., or, if the
8 property is mobile, the base of operations of the property for at least 50% of its use
9 must be a location in a development zone.

10 **SECTION 2021.** 71.47 (1di) (b) 2. of the statutes is amended to read:

11 71.47 (1di) (b) 2. If the claimant is located on an Indian reservation, as defined
12 in s. 560.86 (5), 2009 stats., and is an American Indian, as defined in s. 560.86 (1),
13 2009 stats., an Indian business, as defined in s. 560.86 (4), 2009 stats., or a tribal
14 enterprise, as defined in s. 71.07 (2di) (b) 2., and if the allowable amount of the credit
15 under this subsection exceeds the taxes otherwise due under this chapter on or
16 measured by the claimant's income, the amount of the credit not used as an offset
17 against those taxes shall be certified to the department of administration for
18 payment to the claimant by check, share draft or other draft.

19 **SECTION 2022.** 71.47 (1di) (b) 3. of the statutes is amended to read:

20 71.47 (1di) (b) 3. Partnerships, limited liability companies and tax-option
21 corporations may not claim the credit under this subsection, but the eligibility for,
22 and amount of, that credit shall be determined on the basis of their economic activity,
23 not that of their shareholders, partners or members. The corporation, partnership
24 or limited liability company shall compute the amount of the credit that may be
25 claimed by each of its shareholders, partners or members and shall provide that

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1 information to each of its shareholders, partners or members. Partners, members
2 of limited liability companies and shareholders of tax-option corporations may claim
3 the credit based on the partnership's, company's or corporation's activities in
4 proportion to their ownership interest and may offset it against the tax attributable
5 to their income from the partnership's, company's or corporation's business
6 operations in the development zone; except that a claimant in a development zone
7 under s. 560.795 (1) (e), 2009 stats., may offset the credit, including any credits
8 carried over, against the amount of the tax otherwise due under this chapter
9 attributable to all of the claimant's income; and against the tax attributable to their
10 income from the partnership's, company's or corporation's directly related business
11 operations.

12 **SECTION 2023.** 71.47 (1di) (d) 1. of the statutes is amended to read:

13 71.47 (1di) (d) 1. A copy of a verification from the department of commerce that
14 the claimant may claim tax benefits under s. 560.795 (3), 2009 stats.

15 **SECTION 2024.** 71.47 (1di) (f) of the statutes is amended to read:

16 71.47 (1di) (f) If a person who is entitled under s. 560.795 (3), 2009 stats., to
17 claim tax benefits becomes ineligible for such tax benefits, that person may claim no
18 credits under this subsection for the taxable year that includes the day on which the
19 person becomes ineligible for tax benefits or succeeding taxable years and that
20 person may carry over no unused credits from previous years to offset tax under this
21 chapter for the taxable year that includes the day on which the person becomes
22 ineligible for tax benefits or succeeding taxable years.

23 **SECTION 2025.** 71.47 (1di) (g) of the statutes is amended to read:

24 71.47 (1di) (g) If a person who is entitled under s. 560.795 (3), 2009 stats., to
25 claim tax benefits ceases business operations in the development zone during any of

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

4 **SECTION 2026.** 71.47 (1dj) (am) (intro.) of the statutes is amended to read:

5 71.47 (1dj) (am) (intro.) Except as provided under par. (f) or s. 73.03 (35), for
6 any taxable year for which the person is certified under s. 560.765 (3), 2009 stats.,
7 for tax benefits, any person may claim as a credit against taxes otherwise due under
8 this chapter an amount calculated as follows:

9 **SECTION 2027.** 71.47 (1dj) (am) 4. a. of the statutes is amended to read:

10 71.47 (1dj) (am) 4. a. If certified under s. 560.765 (3), 2009 stats., for tax
11 benefits before January 1, 1992, modify “qualified wages” as defined in section 51 (b)
12 of the internal revenue code to exclude wages paid before the claimant is certified for
13 tax benefits and to exclude wages that are paid to employees for work at any location
14 that is not in a development zone under subch. VI of ch. 560, 2009 stats. For purposes
15 of this subd. 4. a., mobile employees work at their base of operations and leased or
16 rented employees work at the location where they perform services.

17 **SECTION 2028.** 71.47 (1dj) (am) 4. b. of the statutes is amended to read:

18 71.47 (1dj) (am) 4. b. If certified under s. 560.765 (3), 2009 stats., for tax
19 benefits after December 31, 1991, modify “qualified wages” as defined in section 51
20 (b) of the internal revenue code to exclude wages paid before the claimant is certified
21 for tax benefits and to exclude wages that are paid to employees for work at any
22 location that is not in a development zone under subch. VI of ch. 560, 2009 stats. For
23 purposes of this subd. 4. b., mobile employees and leased or rented employees work
24 at their base of operations.

25 **SECTION 2029.** 71.47 (1dj) (am) 4c. of the statutes is amended to read:

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1 71.47 (1dj) (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 s. 71.07 (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 **SECTION 2030.** 71.47 (1dj) (am) 4t. of the statutes is amended to read:

7 71.47 (1dj) (am) 4t. If certified under s. 560.765 (3), 2009 stats., for tax benefits
8 before January 1, 1992, modify section 51 (i) (3) of the internal revenue code so that
9 for leased or rented employees, except employees of a leasing agency certified for tax
10 benefits who perform services directly for the agency in a development zone, the
11 minimum employment periods apply to the time that they perform services in a
12 development zone for a single lessee or renter, not to their employment by the leasing
13 agency.

14 **SECTION 2031.** 71.47 (1dj) (e) 1. of the statutes is amended to read:

15 71.47 (1dj) (e) 1. A copy of the claimant's certification for tax benefits under s.
16 560.765 (3), 2009 stats.

17 **SECTION 2032.** 71.47 (1dj) (e) 3. a. of the statutes is amended to read:

18 71.47 (1dj) (e) 3. a. If certified under s. 560.765 (3), 2009 stats., for tax benefits
19 before January 1, 1992, a statement from the department of commerce verifying the
20 amount of qualifying wages and verifying that the employees were hired for work
21 only in a development zone or are mobile employees whose base of operations is in
22 a development zone.

23 **SECTION 2033.** 71.47 (1dj) (e) 3. b. of the statutes is amended to read:

24 71.47 (1dj) (e) 3. b. If certified under s. 560.765 (3), 2009 stats., for tax benefits
25 after December 31, 1991, a statement from the department of commerce verifying the

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1 amount of qualifying wages and verifying that the employees were hired for work
2 only in a development zone or are mobile employees or leased or rented employees
3 whose base of operations is in a development zone.

4 **SECTION 2034.** 71.47 (1dL) (a) of the statutes is amended to read:

5 71.47 (1dL) (a) Except as provided in pars. (ag), (ar), (bm) and (f) and s. 73.03
6 (35), for any taxable year for which the person is certified under s. 560.765 (3), 2009
7 stats., for tax benefits, any person may claim as a credit against taxes otherwise due
8 under this subchapter an amount equal to 2.5% of the amount expended by that
9 person to acquire, construct, rehabilitate or repair real property in a development
10 zone under subch. VI of ch. 560, 2009 stats.

11 **SECTION 2035.** 71.47 (1dL) (ag) of the statutes is amended to read:

12 71.47 (1dL) (ag) If the credit under par. (a) is claimed for an amount expended
13 to construct, rehabilitate, remodel or repair property, the claimant must have begun
14 the physical work of construction, rehabilitation, remodeling or repair, or any
15 demolition or destruction in preparation for the physical work, after the place where
16 the property is located was designated a development zone under s. 560.71, 2009
17 stats., and the completed project must be placed in service after the claimant is
18 certified for tax benefits under s. 560.765 (3), 2009 stats. In this paragraph, "physical
19 work" does not include preliminary activities such as planning, designing, securing
20 financing, researching, developing specifications or stabilizing the property to
21 prevent deterioration.

22 **SECTION 2036.** 71.47 (1dL) (ar) of the statutes is amended to read:

23 71.47 (1dL) (ar) If the credit under par. (a) is claimed for an amount expended
24 to acquire property, the property must have been acquired by the claimant after the
25 place where the property is located was designated a development zone under s.

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1 560.71, 2009 stats., and the completed project must be placed in service after the
2 claimant is certified for tax benefits under s. 560.765 (3), 2009 stats., and the
3 property must not have been previously owned by the claimant or a related person
4 during the 2 years prior to the designation of the development zone under s. 560.71,
5 2009 stats. No credit is allowed for an amount expended to acquire property until
6 the property, either in its original state as acquired by the claimant or as
7 subsequently constructed, rehabilitated, remodeled or repaired, is placed in service.

8 **SECTION 2037.** 71.47 (1dL) (bm) of the statutes is amended to read:

9 71.47 (1dL) (bm) In calculating the credit under par. (a) a claimant shall reduce
10 the amount expended to acquire property by a percentage equal to the percentage of
11 the area of the real property not used for the purposes for which the claimant is
12 certified to claim tax benefits under s. 560.765 (3), 2009 stats., and shall reduce the
13 amount expended for other purposes by the amount expended on the part of the
14 property not used for the purposes for which the claimant is certified to claim tax
15 benefits under s. 560.765 (3), 2009 stats.

16 **SECTION 2038.** 71.47 (1dL) (c) of the statutes is amended to read:

17 71.47 (1dL) (c) If the claimant is located on an Indian reservation, as defined
18 in s. 560.86 (5), 2009 stats., and is an American Indian, as defined in s. 560.86 (1),
19 2009 stats., an Indian business, as defined in s. 560.86 (4), 2009 stats., or a tribal
20 enterprise, as defined in s. 71.07 (2di) (b) 2., and if the allowable amount of the credit
21 under par. (a) exceeds the taxes otherwise due under this chapter on or measured by
22 the claimant's income, the amount of the credit not used as an offset against those
23 taxes shall be certified to the department of administration for payment to the
24 claimant by check, share draft or other draft.

25 **SECTION 2039.** 71.47 (1dm) (a) 1. of the statutes is amended to read: