

**SENATE BILL 369 (LRB -3631)**

An Act to amend 71.05 (6) (a) 15., 71.21 (4), 71.26 (2) (a) 4., 71.34 (1k) (g), 71.45 (2) (a) 10. and 77.92 (4); and to create 71.07 (6n), 71.10 (4) (cq), 71.28 (6n), 71.30 (3) (dp), 71.47 (6n) and 71.49 (1) (dp) of the statutes; relating to: an income and franchise tax credit for hiring unemployed disabled veterans. (FE)

**2012**

- 01-09. S. Introduced by Senators **Lassa, Schultz, Carpenter, T. Cullen, Taylor, S. Coggs, Hansen and C. Larson**; cosponsored by Representatives **Wynn, Spanbauer, Jacque, Tranel, Knilans, Berceau, Kaufert, Fields, Brooks, C. Taylor, Sinicki, Turner and Endsley**.
- 01-09. S. Read first time and referred to committee on Economic Development and Veterans and Military Affairs .... 645
- 01-13. S. Fiscal estimate received.
- 01-25. S. Public hearing held.
- 03-05. S. Executive action taken.
- 03-06. S. Report introduction and adoption of Senate Amendment 1 recommended by committee on Economic Development and Veterans and Military Affairs, Ayes 7, Noes 0 (**LRB a2577**) ..... 759
- 03-06. S. Report passage as amended recommended by committee on Economic Development and Veterans and Military Affairs, Ayes 7, Noes 0 ..... 759
- 03-06. S. Available for scheduling.
- 03-14. S. Rules suspended and taken up.
- 03-14. S. Read a second time.
- 03-14. S. **Senate amendment 1 adopted.**
- 03-14. S. Ordered to a third reading.
- 03-14. S. Rules suspended and taken up.
- 03-14. S. Read a third time and **passed**, Ayes 33, Noes 0.
- 03-14. S. Ordered immediately messaged.
- 03-15. A. Received from Senate.
- 03-15. A. Read first time and referred to committee on Rules.
- 03-15. A. Representatives **Vruwink, Hebl, Molepske Jr, Bernard Schaber, Pope-Roberts, Ringhand, Jorgensen, Doyle, Bewley, Zamarripa, Hulsey, Seidel, Billings and Toles** added as cosponsors.
- 03-15. A. Rules suspended to withdraw from committee on Rules and take up, Ayes 81, Noes 3.
- 03-15. A. Read a second time.
- 03-15. A. Representative **Young** added as a cosponsor.
- 03-15. A. Referred to joint committee on Finance.
- 03-15. A. Rules suspended to withdraw from committee on Finance and take up, Ayes 84, Noes 0.
- 03-15. A. Ordered to a third reading.
- 03-15. A. Rules suspended.
- 03-15. A. Read a third time and **concurred in**.
- 03-15. A. Ordered immediately messaged.
- 03-19. S. Received from Assembly concurred in.

*GMB*

**2011  
ENROLLED BILL**

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**ADOPTED DOCUMENTS:**

Orig     Engr           SubAmdt       

11-3631/1

Amendments to above (if none, write "NONE"): SA1 — a2577/1

Corrections - show date (if none, write "NONE"): None <sup>(WLS)</sup> ccc in  
enrolling, 3-23-12

Topic Rel

3-20-12                      JRMiley  
Date                                      Enrolling Drafter



State of Wisconsin  
2011-2012 LEGISLATURE

**CORRECTIONS IN:**

**2011 SENATE BILL 369**

Prepared by the Legislative Reference Bureau  
(March 23, 2012)

In enrolling, the following corrections were made:

1. Page 5, line 5: delete "veteran" and substitute "person".
2. Page 7, line 24: delete "veteran" and substitute "person".

NOTE: Corrects a typographical error.

(END)



## 2011 SENATE BILL 369

January 9, 2012 – Introduced by Senators LASSA, SCHULTZ, CARPENTER, T. CULLEN, TAYLOR, S. COGGS, HANSEN and C. LARSON, cosponsored by Representatives WYNN, SPANBAUER, JACQUE, TRANEL, KNILANS, BERCEAU, KAUFERT, FIELDS, BROOKS, C. TAYLOR, SINICKI, TURNER and ENDSLEY. Referred to Committee on Economic Development and Veterans and Military Affairs.

1 **AN ACT** to amend 71.05 (6) (a) 15., 71.21 (4), 71.26 (2) (a) 4., 71.34 (1k) (g), 71.45  
2 (2) (a) 10. and 77.92 (4); and to create 71.07 (6n), 71.10 (4) (cq), 71.28 (6n), 71.30  
3 (3) (dp), 71.47 (6n) and 71.49 (1) (dp) of the statutes; relating to: an income and  
4 franchise tax credit for hiring unemployed disabled veterans.

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### *Analysis by the Legislative Reference Bureau*

This bill creates an income and franchise tax credit for hiring unemployed veterans. Under the bill, a taxpayer may claim the following amounts as credits:

1. For each disabled veteran the taxpayer hires in the taxable year to work a full-time job in this state, \$4,000 in the taxable year in which the disabled veteran is hired and \$2,000 in each of the three taxable years following the taxable year in which the disabled veteran is hired.

2. For each disabled veteran the taxpayer hires in the taxable year to work a part-time job in this state, \$2,000 in the taxable year in which the disabled veteran is hired and \$1,000 in each of the three taxable years following the taxable year in which the disabled veteran is hired.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

## SENATE BILL 369

## SECTION 1

1           SECTION 1. 71.05 (6) (a) 15. of the statutes, as affected by 2011 Wisconsin Act  
2 32, is amended to read:

3           71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),  
4 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r),  
5 (3rm), (3rn), (3s), (3t), (3w), (5e), (5f), (5h), (5i), (5j), (5k), (5n), (5r), (5rm), (6n), and  
6 (8r) and not passed through by a partnership, limited liability company, or  
7 tax-option corporation that has added that amount to the partnership's, company's,  
8 or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g).

9           SECTION 2. 71.07 (6n) of the statutes is created to read:

10           71.07 (6n) VETERAN EMPLOYMENT CREDIT. (a) *Definitions*. In this subsection:

11           1. "Claimant" means a person who files a claim under this subsection.

12           2. "Disabled veteran" means a veteran who is verified by the department of  
13 veteran affairs to have a service-connected disability rating of at least 50 percent  
14 under 38 USC 1114 or 1134.

15           3. "Full-time job" means a regular, nonseasonal full-time position in which an  
16 individual, as a condition of employment, is required to work at least 2,080 hours per  
17 year, including paid leave and holidays.

18           4. "Part-time job" means a regular, nonseasonal part-time position in which  
19 an individual, as a condition of employment, is required to work fewer than 2,080  
20 hours per year, including paid leave and holidays.

21           5. "Veteran" means a person who is verified by the department of veteran  
22 affairs to have served on active duty under honorable conditions in the U.S. armed  
23 forces, in forces incorporated as part of the U.S. armed forces, in the national guard,  
24 or in a reserve component of the U.S. armed forces.

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1 (b) *Filing claims.* Subject to the limitations provided in this subsection, for  
2 taxable years beginning after December 31, 2011, a claimant may claim as a credit  
3 against the tax imposed under s. 71.02, up to the amount of the tax, an amount equal  
4 to any of the following:

5 1. ~~Subject to par. (c) 4., for~~ INS. SA 1-1 each disabled veteran the claimant hires in the  
6 taxable year to work a full-time job at the claimant's business in this state, \$4,000  
7 in the taxable year in which the disabled veteran is hired and \$2,000 in each of the  
8 3 taxable years following the taxable year in which the disabled veteran is hired.

9 2. Subject to par. (c) 4., for each disabled veteran the claimant hires in the  
10 taxable year to work a part-time job at the claimant's business in this state, \$2,000  
11 in the taxable year in which the disabled veteran is hired and \$1,000 in each of the  
12 3 taxable years following the taxable year in which the disabled veteran is hired.

13 (c) *Limitations.* 1. Partnerships, limited liability companies, and tax-option  
14 corporations may not claim the credit under this subsection, but the eligibility for,  
15 and the amount of, the credit are based on their hiring of disabled veterans, as  
16 described under par. (b). A partnership, limited liability company, or tax-option  
17 corporation shall compute the amount of credit that each of its partners, members,  
18 or shareholders may claim and shall provide that information to each of them.  
19 Partners, members of limited liability companies, and shareholders of tax-option  
20 corporations may claim the credit in proportion to their ownership interests.

21 2. No credit may be claimed under this subsection in any taxable year in which  
22 the disabled veteran voluntarily or involuntarily leaves his or her employment with  
23 the claimant.

24 3. A claimant may claim a credit under this subsection only for hiring a disabled  
25 veteran who has received unemployment compensation benefits for at least one week

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1 prior to being hired by the claimant and who was eligible to receive such benefits at  
2 the time the benefits were paid.

3 4. With regard to a credit claimed under par. (b) 2., the amount that the  
4 claimant may claim is determined as follows:

5 a. Divide the number of hours that the disabled veteran worked for the  
6 claimant during the taxable year by 2,080.

7 b. Multiply the amount of the credit under par. (b) 2., as appropriate, by the  
8 number determined under subd. 4. a.

9 (d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under  
10 s. 71.28 (4), applies to the credit under this subsection.

11 SECTION 3. 71.10 (4) (cq) of the statutes is created to read:

12 71.10 (4) (cq) Veteran employment credit under s. 71.07 (6n).

13 SECTION 4. 71.21 (4) of the statutes, as affected by 2011 Wisconsin Act 32, is  
14 amended to read:

15 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),  
16 (2dj), (2dL), (2dm), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s),  
17 (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5n), (5r), (5rm), (6n), and (8r) and passed  
18 through to partners shall be added to the partnership's income.

19 SECTION 5. 71.26 (2) (a) 4. of the statutes, as affected by 2011 Wisconsin Act 32,  
20 is amended to read:

21 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dd),  
22 (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r),  
23 (3rm), (3rn), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5n), (5r), (5rm), (6n), (8r),  
24 and (9s) and not passed through by a partnership, limited liability company, or  
25 tax-option corporation that has added that amount to the partnership's, limited

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1 liability company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k)  
2 (g).

3 SECTION 6. 71.28 (6n) of the statutes is created to read:

4 71.28 (6n) VETERAN EMPLOYMENT CREDIT. (a) *Definitions.* In this subsection:

5 1. "Claimant" means a <sup>(CCC) person</sup> ~~veteran~~ who files a claim under this subsection.

6 2. "Disabled veteran" means a veteran who is verified by the department of  
7 veteran affairs to have a service-connected disability rating of at least 50 percent  
8 under 38 USC 1114 or 1134.

9 3. "Full-time job" means a regular, nonseasonal full-time position in which an  
10 individual, as a condition of employment, is required to work at least 2,080 hours per  
11 year, including paid leave and holidays.

12 4. "Part-time job" means a regular, nonseasonal part-time position in which  
13 an individual, as a condition of employment, is required to work fewer than 2,080  
14 hours per year, including paid leave and holidays.

15 5. "Veteran" means a person who is verified by the department of veteran  
16 affairs to have served on active duty under honorable conditions in the U.S. armed  
17 forces, in forces incorporated as part of the U.S. armed forces, in the national guard,  
18 or in a reserve component of the U.S. armed forces.

19 (b) *Filing claims.* Subject to the limitations provided in this subsection, for  
20 taxable years beginning after December 31, 2011, a claimant may claim as a credit  
21 against the tax imposed under s. 71.23, up to the amount of the tax, an amount equal  
22 to any of the following:

23 1. For each disabled veteran the claimant hires in the taxable year to work a  
24 full-time job at the claimant's business in this state, \$4,000 in the taxable year in

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## SECTION 6

1 which the disabled veteran is hired and \$2,000 in each of the 3 taxable years  
2 following the taxable year in which the disabled veteran is hired.

3 2. Subject to par. (c) 4., for each disabled veteran the claimant hires in the  
4 taxable year to work a part-time job at the claimant's business in this state, \$2,000  
5 in the taxable year in which the disabled veteran is hired and \$1,000 in each of the  
6 3 taxable years following the taxable year in which the disabled veteran is hired.

7 (c) *Limitations.* 1. Partnerships, limited liability companies, and tax-option  
8 corporations may not claim the credit under this subsection, but the eligibility for,  
9 and the amount of, the credit are based on their hiring of disabled veterans, as  
10 described under par. (b). A partnership, limited liability company, or tax-option  
11 corporation shall compute the amount of credit that each of its partners, members,  
12 or shareholders may claim and shall provide that information to each of them.  
13 Partners, members of limited liability companies, and shareholders of tax-option  
14 corporations may claim the credit in proportion to their ownership interests.

15 2. No credit may be claimed under this subsection in any taxable year in which  
16 the disabled veteran voluntarily or involuntarily leaves his or her employment with  
17 the claimant.

18 3. A claimant may claim a credit under this subsection only for hiring a disabled  
19 veteran who has received unemployment compensation benefits for at least one week  
20 prior to being hired by the claimant and who was eligible to receive such benefits at  
21 the time the benefits were paid.

22 4. With regard to a credit claimed under par. (b) 2., the amount that the  
23 claimant may claim is determined as follows:

24 a. Divide the number of hours that the disabled veteran worked for the  
25 claimant during the taxable year by 2,080.

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1           b. Multiply the amount of the credit under par. (b) 2., as appropriate, by the  
2 number determined under subd. 4. a.

3           (d) *Administration*. Subsection (4) (e) to (h), as it applies to the credit under  
4 sub. (4), applies to the credit under this subsection.

5           **SECTION 7.** 71.30 (3) (dp) of the statutes is created to read:

6           71.30 (3) (dp) Veteran employment credit under s. 71.28 (6n).

7           **SECTION 8.** 71.34 (1k) (g) of the statutes, as affected by 2011 Wisconsin Act 32,  
8 is amended to read:

9           71.34 (1k) (g) An addition shall be made for credits computed by a tax-option  
10 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy),  
11 (3), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j),  
12 (5k), (5n), (5r), (5rm), (6n), and (8r) and passed through to shareholders.

13           **SECTION 9.** 71.45 (2) (a) 10. of the statutes, as affected by 2011 Wisconsin Act  
14 32, is amended to read:

15           71.45 (2) (a) 10. By adding to federal taxable income the amount of credit  
16 computed under s. 71.47 (1dd) to (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn),  
17 (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5n), (5r), (5rm), (6n), (8r), and (9s) and not  
18 passed through by a partnership, limited liability company, or tax-option  
19 corporation that has added that amount to the partnership's, limited liability  
20 company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g) and  
21 the amount of credit computed under s. 71.47 (1), (3), (3t), (4), (4m), and (5).

22           **SECTION 10.** 71.47 (6n) of the statutes is created to read:

23           71.47 (6n) VETERAN EMPLOYMENT CREDIT. (a) *Definitions*. In this subsection:

24           1. "Claimant" means a <sup>(ccc) person</sup> ~~veteran~~ who files a claim under this subsection.

**SENATE BILL 369****SECTION 10**

1           2. “Disabled veteran” means a veteran who is verified by the department of  
2 veteran affairs to have a service-connected disability rating of at least 50 percent  
3 under 38 USC 1114 or 1134.

4           3. “Full-time job” means a regular, nonseasonal full-time position in which an  
5 individual, as a condition of employment, is required to work at least 2,080 hours per  
6 year, including paid leave and holidays.

7           4. “Part-time job” means a regular, nonseasonal part-time position in which  
8 an individual, as a condition of employment, is required to work fewer than 2,080  
9 hours per year, including paid leave and holidays.

10          5. “Veteran” means a person who is verified by the department of veteran  
11 affairs to have served on active duty under honorable conditions in the U.S. armed  
12 forces, in forces incorporated as part of the U.S. armed forces, in the national guard,  
13 or in a reserve component of the U.S. armed forces.

14          (b) *Filing claims.* Subject to the limitations provided in this subsection, for  
15 taxable years beginning after December 31, 2011, a claimant may claim as a credit  
16 against the tax imposed under s. 71.43, up to the amount of the tax, an amount equal  
17 to any of the following:

18           1. For each disabled veteran the claimant hires in the taxable year to work a  
19 full-time job at the claimant’s business in this state, \$4,000 in the taxable year in  
20 which the disabled veteran is hired and \$2,000 in each of the 3 taxable years  
21 following the taxable year in which the disabled veteran is hired.

22           2. Subject to par. (c) 4., for each disabled veteran the claimant hires in the  
23 taxable year to work a part-time job at the claimant’s business in this state, \$2,000  
24 in the taxable year in which the disabled veteran is hired and \$1,000 in each of the  
25 3 taxable years following the taxable year in which the disabled veteran is hired.

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1 (c) *Limitations.* 1. Partnerships, limited liability companies, and tax-option  
2 corporations may not claim the credit under this subsection, but the eligibility for,  
3 and the amount of, the credit are based on their hiring of disabled veterans, as  
4 described under par. (b). A partnership, limited liability company, or tax-option  
5 corporation shall compute the amount of credit that each of its partners, members,  
6 or shareholders may claim and shall provide that information to each of them.  
7 Partners, members of limited liability companies, and shareholders of tax-option  
8 corporations may claim the credit in proportion to their ownership interests.

9 2. No credit may be claimed under this subsection in any taxable year in which  
10 the disabled veteran voluntarily or involuntarily leaves his or her employment with  
11 the claimant.

12 3. A claimant may claim a credit under this subsection only for hiring a disabled  
13 veteran who has received unemployment compensation benefits for at least one week  
14 prior to being hired by the claimant and who was eligible to receive such benefits at  
15 the time the benefits were paid.

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16 4. With regard to a credit claimed under par. (b) 2., the amount that the  
17 claimant may claim is determined as follows:

18 a. Divide the number of hours that the disabled veteran worked for the  
19 claimant during the taxable year by 2,080.

20 b. Multiply the amount of the credit under par. (b) 2., as appropriate, by the  
21 number determined under subd. 4. a.

22 (d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under  
23 s. 71.28 (4), applies to the credit under this subsection.

24 **SECTION 11.** 71.49 (1) (dp) of the statutes is created to read:

25 71.49 (1) (dp) Veteran employment credit under s. 71.47 (6n).

**SENATE BILL 369****SECTION 12**

1           **SECTION 12.** 77.92 (4) of the statutes, as affected by 2011 Wisconsin Act 32, is  
2 amended to read:

3           **77.92 (4)** "Net business income," with respect to a partnership, means taxable  
4 income as calculated under section 703 of the Internal Revenue Code; plus the items  
5 of income and gain under section 702 of the Internal Revenue Code, including taxable  
6 state and municipal bond interest and excluding nontaxable interest income or  
7 dividend income from federal government obligations; minus the items of loss and  
8 deduction under section 702 of the Internal Revenue Code, except items that are not  
9 deductible under s. 71.21; plus guaranteed payments to partners under section 707  
10 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),  
11 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r),  
12 (3rm), (3rn), (3s), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5n), (5r), (5rm), (6n),  
13 and (8r); and plus or minus, as appropriate, transitional adjustments, depreciation  
14 differences, and basis differences under s. 71.05 (13), (15), (16), (17), and (19); but  
15 excluding income, gain, loss, and deductions from farming. "Net business income,"  
16 with respect to a natural person, estate, or trust, means profit from a trade or  
17 business for federal income tax purposes and includes net income derived as an  
18 employee as defined in section 3121 (d) (3) of the Internal Revenue Code.

19           **SECTION 13. Nonstatutory provisions.**

20           (1) **JOINT FINANCE REVIEW.** No later than June 30, 2013, the department of  
21 workforce development, in conjunction with the department of revenue, shall submit  
22 to the joint committee on finance a report describing the impact of the tax credits  
23 under sections 71.07 (6n), 71.28 (6n), and 71.47 (6n) of the statutes, as created by this  
24 act, on unemployed veterans in this state and shall make a recommendation to the  
25 committee as to whether the tax credits should continue. The report shall also

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1 specify the number and type of businesses that have claimed the credits under  
2 sections 71.07 (6n), 71.28 (6n), and 71.47 (6n) of the statutes, as created by this act.

3 If the cochairpersons of the committee do not notify the department of workforce  
4 development and the department of revenue within 14 working days after the  
5 submittal date of the report that the committee has scheduled a meeting for the  
6 purpose of reviewing the report's recommendation, the recommendation may be  
7 implemented. If, within 14 working days after the submittal date of the report, the

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8 cochairpersons of the committee notify the department of workforce development  
9 and the department of revenue that the committee has scheduled a meeting for the  
10 purpose of reviewing the recommendation, the recommendation may be  
11 implemented only upon approval of the committee.

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(END)

INS. SAI-7



**SENATE AMENDMENT 1,  
TO 2011 SENATE BILL 369**

March 6, 2012 – Offered by COMMITTEE ON ECONOMIC DEVELOPMENT AND VETERANS  
AND MILITARY AFFAIRS.

1 At the locations indicated, amend the bill as follows:

2 1. Page 3, line 5: delete “Subject to par. (c) 4., for” and substitute “For”.

3 2. Page 4, line 1: after “claimant” insert “, who was receiving such benefits at  
4 the time that he or she was hired by the claimant,”.

5 3. Page 6, line 20: after “claimant” insert “, who was receiving such benefits  
6 at the time that he or she was hired by the claimant,”.

7 4. Page 9, line 14: after “claimant” insert “, who was receiving such benefits  
8 at the time that he or she was hired by the claimant,”.

9 5. Page 11, line 3: delete the material beginning with “If” and ending with  
10 “within” on line 7 and substitute “Within”.

11 6. Page 11, line 8: after “committee” insert “shall”.

SAI-1

SAI-2

SAI-3

SAI-4

SAI-5

SAI-6

