

2013 DRAFTING REQUEST

Bill

Received: 1/14/2013 Received By: jkreye
Wanted: As time permits Same as LRB:
For: John Murtha (608) 266-7683 By/Representing: scott
May Contact: Drafter: jkreye
Subject: Tax, Business - credits Addl. Drafters:
Extra Copies:

Submit via email: YES
Requester's email: Rep.Murtha@legis.wisconsin.gov
Carbon copy (CC) to: joseph.kreye@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Tax credits for workplace wellness programs

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 1/14/2013	scalvin 1/22/2013	jfrantze 1/23/2013	_____			
/1	jkreye 1/24/2013			_____	sbasford 1/23/2013		State
/2	jkreye 2/12/2013	scalvin 1/25/2013	rschluet 1/28/2013	_____	mbarman 1/28/2013		State
/3		scalvin	jfrantze	_____	mbarman	srose	State

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
		2/12/2013	2/12/2013	_____	2/12/2013	2/18/2013	

FE Sent For:

at intro
3/14

<END>

2013 DRAFTING REQUEST

Bill

Received: 1/14/2013 Received By: jkreye
Wanted: As time permits Same as LRB:
For: John Murtha (608) 266-7683 By/Representing: scott
May Contact: Drafter: jkreye
Subject: Tax, Business - credits Addl. Drafters:
Extra Copies:
Submit via email: YES
Requester's email: Rep.Murtha@legis.wisconsin.gov
Carbon copy (CC) to: joseph.kreye@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Tax credits for workplace wellness programs

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 1/14/2013	scalvin 1/22/2013	jfrantze 1/23/2013	_____			
/1	jkreye 1/24/2013			_____	sbasford 1/23/2013		State
/2	jkreye 2/12/2013	scalvin 1/25/2013	rschluet 1/28/2013	_____	mbarman 1/28/2013		State
/3		scalvin	jfrantze	_____	mbarman		State

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
		2/12/2013	2/12/2013	_____	2/12/2013		

FE Sent For:

<END>

2013 DRAFTING REQUEST

Bill

Received: 1/14/2013 Received By: jkreye
Wanted: As time permits Same as LRB:
For: John Murtha (608) 266-7683 By/Representing: scott
May Contact: Drafter: jkreye
Subject: Tax, Business - credits Addl. Drafters:
Extra Copies:

Submit via email: YES
Requester's email: Rep.Murtha@legis.wisconsin.gov
Carbon copy (CC) to: joseph.kreye@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Tax credits for workplace wellness programs

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 1/14/2013	scalvin 1/22/2013	jfrantze 1/23/2013	_____			
/1	jkreye 1/24/2013			_____	sbasford 1/23/2013		State
/2		scalvin 1/25/2013	rschluet 1/28/2013	_____	mbarman 1/28/2013		State
		13 sac 02/12/13		2/12			

FE Sent For:

<END>

2013 DRAFTING REQUEST

Bill

Received: 1/14/2013 Received By: jkreye
Wanted: As time permits Same as LRB:
For: John Murtha (608) 266-7683 By/Representing: scott
May Contact: Drafter: jkreye
Subject: Tax, Business - credits Addl. Drafters:
Extra Copies:

Submit via email: YES
Requester's email: Rep.Murtha@legis.wisconsin.gov
Carbon copy (CC) to: joseph.kreye@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Tax credits for workplace wellness programs

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 1/14/2013	scalvin 1/22/2013	jfrantze 1/23/2013	_____			
/1		1/2 suc 0/25/2013		_____	sbasford 1/23/2013		State

FE Sent For:

<END>

2013 DRAFTING REQUEST

Bill

Received: 1/14/2013 Received By: jkreye
 Wanted: As time permits Same as LRB:
 For: John Murtha (608) 266-7683 By/Representing: scott
 May Contact: Drafter: jkreye
 Subject: Tax, Business - credits Addl. Drafters:
 Extra Copies:

Submit via email: YES
 Requester's email: Rep.Murtha@legis.wisconsin.gov
 Carbon copy (CC) to: joseph.kreye@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Tax credits for workplace wellness programs

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
1/?	jkreye	11 sac 01/22/2013	JF 1/23	Kim JF 1/23			

FE Sent For:

<END>

Kreye, Joseph

From: LRB.Legal
Sent: Monday, January 14, 2013 9:31 AM
To: Kreye, Joseph
Cc: Schneider, Alicia
Subject: FW: redraft a bill

From: Schneider, Alicia
Sent: Monday, January 14, 2013 9:24 AM
To: LRB.Legal
Subject: redraft a bill

Good Morning,

I work in Rep. Murtha's office and I would like to request LRB-2456/1 be redrafted with a few minor changes. I have pasted the changes to this email. Please get back to me as soon as possible when you received this so I may keep track as to where the bill is in the process. Thank you for your time.

- Create a state income and franchise tax credit for workplace wellness programs that applies to taxable years beginning on January 1, 2014. ←
- The credit may be claimed for three taxable years, in an amount equal to 30% of what an employer paid in the taxable year to provide a workplace wellness program for employees in Wisconsin.
- • Specify that unused credits may be carried forward for five years. *new*
- Specify that the credit is only available to businesses with 50 or fewer employees and cannot be claimed for workplace wellness programs in existence prior to the effective date of the bill. ← *new*
- Limit the total amount of tax credits that may be allocated in a year to \$2.5 million.
- Define a workplace wellness program as a health or fitness program that is certified by DHS and that includes health risk assessments, as well as one or more of the following programs or services: smoking cessation; weight management; stress management; injury prevention; health screenings; nutrition education; health or fitness incentives; vaccinations; or employee physical exams.
- Specify that costs related to the acquisition, construction, rehabilitation, remodeling, or repair of real property do not qualify as eligible expenses for purposes of the tax credit.

Thank you,

Alicia Schneider

Legislative Aide

Office Of State Representative John Murtha

(608) 266-7683



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-2456/1

JK:wid

1142/1

~~2011 ASSEMBLY BILL 220~~

in 1-14-13
due Friday
1-25

August 18, 2011 - Introduced by Representatives MURTHA, NYGREN, BIES, BROOKS, DOYLE, HONADEL, JACQUE, JORGENSEN, KAUFERT, KESTELL, KUGLITSCH, T. LARSON, LEMAHIEU, LITJENS, NERISON, A. OTT, PETERSEN, PETROWSKI, PETRYK, PRIDEMORE, RIPP, SINICKI, SPANBAUER, STASKUNAS, STRACHOTA, STONE, THIESFELDT, TRANEL, VAN ROY and ZEPNICK, cosponsored by Senators MOULTON, HOPPER, KAPANKE, LASSA, LEIBHAM, SCHULTZ and ZIPPERER. Referred to Committee on Health.

re you

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 (8s), 71.10 (4) (cf), 71.28 (8s), 71.30
3 (3) (cf), 71.47 (8s), 71.49 (1) (cf) and 73.15 of the statutes; relating to: an income
4 and franchise tax credit for workplace wellness programs, granting
5 rule-making authority, and requiring the exercise of rule-making authority.

as certified by
the Department of
Health Services

Analysis by the Legislative Reference Bureau

This bill creates an income and franchise tax credit for workplace wellness programs. The amount of the credit is equal to 30 percent of the amount that an employer pays in the taxable year to provide a workplace wellness program to any of the employer's employees who are employed in this state. A workplace wellness program is a health or fitness program, as defined by administrative rule by the Department of Revenue that is provided with health risk assessments.

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

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

6 SECTION 1. 71.05 (6) (a) 15. of the statutes, as affected by 2011 Wisconsin Act
7 32, is amended to read:

ASSEMBLY BILL 220

SECTION 1

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

Amnt
2-b

7 SECTION 2. 71.07 (8s) of the statutes is created to read:

8 71.07 (8s) WORKPLACE WELLNESS PROGRAM CREDIT. (a) *Definitions.* In this
 9 subsection:

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

11 2. "Health risk assessment" means a computer-based health-promotion tool
 12 consisting of a questionnaire; a biometric health screening to measure vital health
 13 statistics, including blood pressure, cholesterol, glucose, weight, and height; a
 14 formula for estimating health risks; an advice database; and a means to generate
 15 reports.

16 3. "Workplace wellness program" means a health or fitness program certified
 17 under s. 73.15 (3), and includes health risk assessments and one or more of the
 18 following programs or services:

- 19 a. Smoking cessation.
- 20 b. Weight management.
- 21 c. Stress management.
- 22 d. Worker injury prevention programs.
- 23 e. Health screenings.
- 24 f. Nutrition education.
- 25 g. Health or fitness incentive programs.

ASSEMBLY BILL 220

1 h. Vaccinations.

2 ^{73.155} i. Employee physical examinations.

3 (b) *Filing claims.* Subject to the limitations provided in this subsection and s.

4 ^{73.155} a claimant may claim as a credit against the taxes imposed under s. 71.02, up
5 to the amount of those taxes, in each taxable year for 3 years, an amount that is equal
6 to 30 percent of the amount that the claimant paid in the taxable year to provide a
7 workplace wellness program to any of the claimant's employees who are employed
8 in this state, not including any amount paid to acquire, construct, rehabilitate,
9 remodel, or repair real property.

10 (c) *Limitations.* 1. Except as provided in s. ^{73.155} 73.15(2), the maximum amount
11 of the credits that may be claimed under this subsection and ss. 71.28 (8s) and 71.47
12 (8s) in any taxable year is \$2,500,000 for all claimants who employ 50 or fewer
13 employees in the taxable year and \$2,500,000 for all claimants who employ more
14 than 50 employees in the taxable year.

15 2. Partnerships, limited liability companies, and tax-option corporations may
16 not claim the credit under this subsection, but the eligibility for, and the amount of,
17 the credit are based on their payment of amounts under par. (b). A partnership,
18 limited liability company, or tax-option corporation shall compute the amount of
19 credit that each of its partners, members, or shareholders may claim and shall
20 provide that information to each of them. Partners, members of limited liability
21 companies, and shareholders of tax-option corporations may claim the credit in
22 proportion to their ownership interests.

23 (d) *Administration.* Section 71.28 (4) (e) ¹ to (h), as it applies to the credit under
24 s. 71.28 (4), applies to the credit under this subsection.

25 SECTION 3. 71.10 (4) (cf) of the statutes is created to read:

Insert 3-22

Insert 3-24

1 71.10 (4) (cf) Workplace wellness program credit under s. 71.07 (8s).

2 SECTION 4. 71.21 (4) of the statutes, as affected by 2011 Wisconsin Act ...
3 (Assembly Bill 40), is amended to read:

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

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

10 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dd),
11 (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r),
12 (3rm), (3rn), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5n), (5r), (5rm), (8r), (8s),
13 and (9s) and not passed through by a partnership, limited liability company, or
14 tax-option corporation that has added that amount to the partnership's, limited
15 liability company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k)
16 (g).

Insert
4-16

17 SECTION 6. 71.28 (8s) of the statutes is created to read:

18 71.28 (8s) WORKPLACE WELLNESS PROGRAM CREDIT. (a) *Definitions.* In this
19 subsection:

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

21 2. "Health risk assessment" means a computer-based health-promotion tool
22 consisting of a questionnaire; a biometric health screening to measure vital health
23 statistics, including blood pressure, cholesterol, glucose, weight, and height; a
24 formula for estimating health risks; an advice database; and a means to generate
25 reports.

ASSEMBLY BILL 220

73.155

1 3. "Workplace wellness program" means a health or fitness program certified
2 under s. 73.15(3), and includes health risk assessments and one or more of the
3 following programs or services:

- 4 a. Smoking cessation.
- 5 b. Weight management.
- 6 c. Stress management.
- 7 d. Worker injury prevention programs.
- 8 e. Health screenings.
- 9 f. Nutrition education.
- 10 g. Health or fitness incentive programs.
- 11 h. Vaccinations.

73.155

12 i. Employee physical examinations.

13 (b) *Filing claims.* Subject to the limitations provided in this subsection and s.

73.155

14 a claimant may claim as a credit against the taxes imposed under s. 71.23, up
15 to the amount of those taxes, in each taxable year for 3 years, an amount that is equal
16 to 30 percent of the amount that the claimant paid in the taxable year to provide a
17 workplace wellness program to any of the claimant's employees who are employed
18 in this state, not including any amount paid to acquire, construct, rehabilitate,
19 remodel, or repair real property.

73.155

20 (c) *Limitations.* 1. Except as provided in s. 73.15(2), the maximum amount
21 of the credits that may be claimed under this subsection and ss. 71.07 (8s) and 71.47
22 (8s) in any taxable year is \$2,500,000 for all claimants who employ 50 or fewer
23 employees in the taxable year and \$2,500,000 for all claimants who employ more
24 than 50 employees in the taxable year.

ASSEMBLY BILL 220

SECTION 6

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

9 (d) *Administration.* Subsection (4) (e) ^{(g), and} to (h), as it applies to the credit under
10 sub. (4), applies to the credit under this subsection.

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

12 71.30 (3) (cf) Workplace wellness program credit under s. 71.28 (8s).

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

15 71.34 (1k) (g) An addition shall be made for credits computed by a tax-option
16 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy),
17 (3), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j),
18 (5k), (5n), (5r), (5rm), and (8r), and (8s) and passed through to shareholders.

19 **SECTION 9.** 71.45 (2) (a) 10. of the statutes, as affected by 2011 Wisconsin Act
20 32, is amended to read:

21 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
22 computed under s. 71.47 (1dd) to (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn),
23 (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5n), (5r), (5rm), (8r), (8s), and (9s) and not
24 passed through by a partnership, limited liability company, or tax-option
25 corporation that has added that amount to the partnership's, limited liability

ASSEMBLY BILL 220

Amend
7-2

1 company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g) and
2 the amount of credit computed under s. 71.47 (1), (3), (3t), (4), (4m), and (5).

3 SECTION 10. 71.47 (8s) of the statutes is created to read:

4 71.47 (8s) WORKPLACE WELLNESS PROGRAM CREDIT. (a) *Definitions.* In this
5 subsection:

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

7 2. "Health risk assessment" means a computer-based health-promotion tool
8 consisting of a questionnaire; a biometric health screening to measure vital health
9 statistics, including blood pressure, cholesterol, glucose, weight, and height; a
10 formula for estimating health risks; an advice database; and a means to generate
11 reports.

12 3. "Workplace wellness program" means a health or fitness program certified
13 under s. 73.15 (3), and includes health risk assessments and one or more of the
14 following programs or services:

- 15 a. Smoking cessation.
- 16 b. Weight management.
- 17 c. Stress management.
- 18 d. Worker injury prevention programs.
- 19 e. Health screenings.
- 20 f. Nutrition education.
- 21 g. Health or fitness incentive programs.
- 22 h. Vaccinations.
- 23 i. Employee physical examinations.

24 (b) *Filing claims.* Subject to the limitations provided in this subsection and s.

25 73.15, a claimant may claim as a credit against the taxes imposed under s. 71.43, up

73,155

ASSEMBLY BILL 220

1 to the amount of those taxes, in each taxable year for 3 years, an amount that is equal
2 to 30 percent of the amount that the claimant paid in the taxable year to provide a
3 workplace wellness program to any of the claimant's employees who are employed
4 in this state, not including any amount paid to acquire, construct, rehabilitate,
5 remodel, or repair real property.

73.155

6 (c) *Limitations.* 1. Except as provided in s. ~~73.15~~(2), the maximum amount
7 of the credits that may be claimed under this subsection and ss. 71.07 (8s) and 71.28
8 (8s) in any taxable year is \$2,500,000 for all claimants who employ 50 or fewer
9 employees in the taxable year and \$2,500,000 for all claimants who employ more
10 than 50 employees in the taxable year.

11 2. Partnerships, limited liability companies, and tax-option corporations may
12 not claim the credit under this subsection, but the eligibility for, and the amount of,
13 the credit are based on their payment of amounts under par. (b). A partnership,
14 limited liability company, or tax-option corporation shall compute the amount of
15 credit that each of its partners, members, or shareholders may claim and shall
16 provide that information to each of them. Partners, members of limited liability
17 companies, and shareholders of tax-option corporations may claim the credit in
18 proportion to their ownership interests.

Insert 7.18

19 (d) *Administration.* Section 71.28 (4) (e) ~~(to)~~ (g), and (h), as it applies to the credit under
20 s. 71.28 (4), applies to the credit under this subsection.

(g), and

21 SECTION 11. 71.49 (1) (cf) of the statutes is created to read:

22 71.49 (1) (cf) Workplace wellness program credit under s. 71.47 (8s).

Insert 8.20

23 SECTION 12. ~~73.15~~ 73.155 of the statutes is created to read:

24 ~~73.15~~ **Workplace wellness programs.** (1) The department of revenue and
25 the department of health services shall implement a program to certify workplace

73.155 (b)

ASSEMBLY BILL 220

1 wellness programs developed by a business or independent provider as described
2 under ss. 71.07 (8s), 71.28 (8s), and 71.47 (8s).

3 (2) If the department of health services certifies a workplace wellness program
4 under sub. (1), the department of revenue shall determine the amount of workplace
5 wellness program credits to allocate to the business providing the workplace
6 wellness program. The total amount of workplace wellness program credits
7 allocated to businesses in any year may not exceed \$5,000,000. In any year, the
8 department of revenue may not allocate more than \$2,500,000 in credits to
9 businesses with more than 50 employees, and may not allocate more than \$2,500,000
10 in credits to businesses with 50 or fewer employees, except that the department may
11 increase the allocation to businesses with 50 or fewer employees by the amount of
12 any credits the department is not able to allocate to businesses with 50 or more
13 employees.

14 (3) The department of revenue and the department of health services shall
15 promulgate rules to administer this section.

16 SECTION 13. 77.92 (4) of the statutes, as affected by 2011 Wisconsin Act 32, is
17 amended to read:

18 77.92 (4) "Net business income," with respect to a partnership, means taxable
19 income as calculated under section 703 of the Internal Revenue Code; plus the items
20 of income and gain under section 702 of the Internal Revenue Code, including taxable
21 state and municipal bond interest and excluding nontaxable interest income or
22 dividend income from federal government obligations; minus the items of loss and
23 deduction under section 702 of the Internal Revenue Code, except items that are not
24 deductible under s. 71.21; plus guaranteed payments to partners under section 707
25 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),

2013-2014 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1142/?ins
JK:.....

Insert 2 - 6

x

1 SECTION 1. 71.05 (6) (a) 15. of the statutes is amended to read:

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

* NOTE: NOTE: Subd. 15. is shown as affected by 2011 Wis. Acts 212, 232, and 237 and as merged by the legislative reference bureau under s. 13.92 (2) (i).NOTE:

History: 1987 a. 312; 1987 a. 411 ss. 42, 43, 45, 47 to 49, 51 to 53; 1989 a. 31, 46; 1991 a. 2, 37, 39, 269; 1993 a. 16, 112, 204, 263, 437; 1995 a. 27, 56, 209, 227, 261, 371, 403, 453; 1997 a. 27, 35, 39, 237; 1999 a. 9, 32, 44, 54, 65, 167; 2001 a. 16, 104, 105, 109; 2003 a. 85, 99, 119, 135, 183, 255, 289, 321, 326; 2005 a. 22, 25, 216, 254, 335, 361, 479, 483; 2007 a. 20, 96, 226; 2009 a. 2, 28, 205, 265, 269, 276, 295, 332, 344; 2011 a. 3, 5, 10, 32, 212, 232, 237; 2011 a. 260 ss. 80, 81; s. 13.92 (1) (bm) 2., (2) (i).

9 SECTION 2. 71.05 (6) (b) 47. b. of the statutes is amended to read:

10 71.05 (6) (b) 47. b. With respect to partners and members of limited liability
11 companies, for taxable years beginning after December 31, 2010, for 2 consecutive
12 taxable years beginning with the taxable year in which the partnership's or limited
13 liability company's business locates to this state from another state or another
14 country and begins doing business in this state, as defined in s. 71.22 (1r), and subject
15 to the limitations provided under subd. 47. d. and e., the partner's or member's
16 distributive share of taxable income as calculated under section 703 of the Internal
17 Revenue Code; plus the items of income and gain under section 702 of the Internal
18 Revenue Code, including taxable state and municipal bond interest and excluding
19 nontaxable interest income or dividend income from federal government obligations;
20 minus the items of loss and deduction under section 702 of the Internal Revenue
21 Code, except items that are not deductible under s. 71.21; plus guaranteed payments
22 to partners under section 707 (c) of the Internal Revenue Code; plus the credits

1 claimed under s. 71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy),
 2 (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s), (3t), (3w), (5e), (5f), (5g), (5h), (5i),
 3 (5j), (5k), (5r), (5rm), ~~and (8r), and (8s)~~; and plus or minus, as appropriate,
 4 transitional adjustments, depreciation differences, and basis differences under s.
 5 71.05 (13), (15), (16), (17), and (19), multiplied by the apportionment fraction
 6 determined in s. 71.04 (4) and subject to s. 71.04 (7) or by separate accounting. No
 7 amounts subtracted under this subd. 47. b. may be included in the modification
 8 under par. (b) 9. or 9m.

History: 1987 a. 312; 1987 a. 411 ss. 42, 43, 45, 47 to 49, 51 to 53; 1989 a. 31, 46; 1991 a. 2, 37, 39, 269; 1993 a. 16, 112, 204, 263, 437; 1995 a. 27, 56, 209, 227, 261, 371, 403, 453; 1997 a. 27, 35, 39, 237; 1999 a. 9, 32, 44, 54, 65, 167; 2001 a. 16, 104, 105, 109; 2003 a. 85, 99, 119, 135, 183, 255, 289, 321, 326; 2005 a. 22, 25, 216, 254, 335, 361, 479, 483; 2007 a. 20, 96, 226; 2009 a. 2, 28, 205, 265, 269, 276, 295, 332, 344; 2011 a. 3, 5, 10, 32, 212, 232, 237; 2011 a. 260 ss. 80, 81; s. 13.92 (1) (bm) 2., (2) (i).

Insert 3 - 22

9 3. No person may claim a credit under this subsection for expenses related to
 10 a workplace wellness program in existence prior to the effective date of this
 11 subdivision ...^{AL} (LRB inserts date).

Insert 3 - 24

12 2. If a credit computed under this subsection is not entirely offset against
 13 Wisconsin income or franchise taxes otherwise due, the unused balance may be
 14 carried forward and credited against Wisconsin income or franchise taxes otherwise
 15 due for the following 5 taxable years to the extent not offset by these taxes otherwise
 16 due in all intervening years between the year in which the expense was incurred and
 17 the year in which the carry-forward credit is claimed.

Insert 4 - 16

18 ^x
 SECTION 3. 71.21 (4) (a) of the statutes is amended to read:
 19 71.21 (4) (a) The amount of the credits computed by a partnership under s.
 20 71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dm), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p),

1 (3q), (3r), (3rm), (3rn), (3s), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm),
2 (6n), ~~and (8r)~~, and (8s) and passed through to partners shall be added to the
3 partnership's income.

* NOTE: NOTE: Par. (a) is shown as affected by 2011 Wis. Acts 212 and 232 and as merged by the legislative reference bureau under s. 13.92 (2) (i).NOTE:

History: 1987 a. 312, 411; 1989 a. 31; 1993 a. 112; 1995 a. 27, 400; 1997 a. 27; 2001 a. 16; 2003 a. 99, 135, 255, 326; 2005 a. 74, 361, 479, 483; 2007 a. 20, 96; 2009 a. 2, 28, 265, 269, 295, 332; 2011 a. 32, 212, 232; 2011 a. 260 s. 80; s. 13.92 (2) (i).

4 **SECTION 4. 71.26 (2) (a) 4. of the statutes is amended to read:**

5 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dd),
6 (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r),
7 (3rm), (3rn), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), (8r), (8s),
8 and (9s) and not passed through by a partnership, limited liability company, or
9 tax-option corporation that has added that amount to the partnership's, limited
10 liability company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k)
11 (g).

* NOTE: NOTE: Subd. 4. is shown as affected by 2011 Wis. Acts 212 and 232 and as merged by the legislative reference bureau under s. 13.92 (2) (i).NOTE:

History: 1987 a. 312; 1987 a. 411 ss. 22, 124 to 129; 1989 a. 31, 336; 1991 a. 37, 39, 221, 269; 1993 a. 16, 112, 246, 263, 399, 437, 491; 1995 a. 27, 56, 351, 371, 380, 428; 1997 a. 27, 37, 184, 237; 1999 a. 9, 65; 1999 a. 150 s. 672; 1999 a. 167, 194; 2001 a. 16, 38, 106, 109; 2003 a. 33, 85, 99, 135, 255, 326; 2005 a. 25, 74, 335, 361, 362, 479, 483; 2007 a. 20, 96, 97, 151, 226; 2009 a. 2, 28, 161, 165, 180, 183, 205, 265, 269, 295, 332, 344; 2011 a. 3, 5, 7, 10, 32, 212, 232; 2011 a. 260 s. 80; s. 13.92 (2) (i); s. 35.17 correction in (2) (a) 10.

Insert 6 - 8

12 3. No person may claim a credit under this subsection for expenses related to
13 a workplace wellness program in existence prior to the effective date of this
14 subdivision ... ^{2-Δ[} (LRB inserts date) ^{2-]}

Insert 6 - 10

15 2. If a credit computed under this subsection is not entirely offset against
16 Wisconsin income or franchise taxes otherwise due, the unused balance may be
17 carried forward and credited against Wisconsin income or franchise taxes otherwise
18 due for the following 5 taxable years to the extent not offset by these taxes otherwise

1 due in all intervening years between the year in which the expense was incurred and
2 the year in which the carry-forward credit is claimed.

Insert 7 - 2

3 **SECTION 5.** 71.34 (1k) (g) of the statutes is amended to read:

4 71.34 (1k) (g) An addition shall be made for credits computed by a tax-option
5 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy),
6 (3), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j),
7 (5k), (5r), (5rm), (6n), ~~and (8r)~~, and (8s) and passed through to shareholders.

✓ **NOTE: NOTE: Par. (g) is shown as affected by 2011 Wis. Acts 212 and 232 and as merged by the legislative reference bureau under s. 13.92 (2) (i).NOTE:**

History: 1987 a. 312; 1987 a. 411 ss. 18, 23, 146; 1989 a. 31, 336; 1991 a. 39, 269; 1993 a. 16, 437; 1995 a. 27, 380, 428; 1997 a. 27, 37, 237; 1999 a. 9, 194; 2001 a. 16, 109; 2003 a. 33, 99, 135, 255, 326; 2005 a. 25, 49, 74, 361, 479, 483; 2007 a. 20, 96, 226; 2009 a. 2, 28, 161, 183, 265, 269, 295, 332; 2011 a. 32, 212, 232; 2011 a. 260 s. 80; s. 13.92 (2) (i).

8 **SECTION 6.** 71.45 (2) (a) 10. of the statutes is amended to read:

9 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
10 computed under s. 71.47 (1dd) to (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn),
11 (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), (8r), (8s), and (9s) and not
12 passed through by a partnership, limited liability company, or tax-option
13 corporation that has added that amount to the partnership's, limited liability
14 company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g) and
15 the amount of credit computed under s. 71.47 (1), (3), (3t), (4), (4m), and (5).

✗ **NOTE: NOTE: Subd. 10. is shown as affected by 2011 Wis. Acts 212 and 232 and as merged by the legislative reference bureau under s. 13.92 (2) (i).NOTE:**

History: 1987 a. 312; 1989 a. 31, 336, 359; 1991 a. 37, 39, 269; 1993 a. 16, 112, 263, 437; 1995 a. 27, 56, 371, 380; 1997 a. 27, 37, 237; 1999 a. 9, 65; 1999 a. 150 s. 672; 1999 a. 167, 194; 2001 a. 16, 38, 109; 2003 a. 37, 85, 99, 135, 255, 326; 2005 a. 74, 297, 335, 361, 479, 483; 2007 a. 20, 96, 226; 2009 a. 2, 28, 165, 205, 265, 269, 295, 332, 344; 2011 a. 3, 5, 32, 212, 232; 2011 a. 260 s. 80; 13.92 (2) (i).

Insert 8 - 18

16 3. No person may claim a credit under this subsection for expenses related to
17 a workplace wellness program in existence prior to the effective date of this
18 subdivision ... ^{ΔL} LRB inserts date.

Insert 8 - 20

1 2. If a credit computed under this subsection is not entirely offset against
 2 Wisconsin income or franchise taxes otherwise due, the unused balance may be
 3 carried forward and credited against Wisconsin income or franchise taxes otherwise
 4 due for the following 5 taxable years to the extent not offset by these taxes otherwise
 5 due in all intervening years between the year in which the expense was incurred and
 6 the year in which the carry-forward credit is claimed.

Insert 10 - 8

7 ^x
SECTION 7. 77.92 (4) of the statutes is amended to read:

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

History: 1989 a. 335; 1991 a. 39, 269; 1993 a. 16, 112, 490; 1995 a. 27, 209; 1997 a. 27; 1999 a. 9; 2001 a. 16; 2003 a. 99, 135, 255, 326; 2005 a. 74, 361, 479, 483; 2007 a. 20, 96; 2009 a. 2, 28, 265, 269, 295, 332; 2011 a. 32, 212; 2011 a. 260 s. 80.

ASSEMBLY BILL 220

1 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r),
 2 (3rm), (3rn), ~~(3s)~~, (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5n), (5r), (5rm), ~~and~~
 3 (8r), ~~and (8s)~~; and plus or minus, as appropriate, transitional adjustments,
 4 depreciation differences, and basis differences under s. 71.05 (13), (15), (16), (17), and
 5 (19); but excluding income, gain, loss, and deductions from farming. "Net business
 6 income," with respect to a natural person, estate, or trust, means profit from a trade
 7 or business for federal income tax purposes and includes net income derived as an
 8 employee as defined in section 3121 (d) (3) of the Internal Revenue Code.

Insert
10-8

SECTION 14. Initial applicability.

(1) This act first applies to taxable years beginning on January 1, ~~2012~~²⁰¹⁴.

(END)

2014

9

10

11

Kreye, Joseph

From: Schneider, Alicia
Sent: Thursday, January 24, 2013 9:54 AM
To: Kreye, Joseph
Subject: RE: redraft a bill

Good Morning Joseph,

After reading the workplace wellness draft, I realized it pretty much matches the Senate Substitute amendment that was drafted last session. Would it be possible to redraft that substitute amendment as the bill for this session just the way it was last session. I apologize for the confusion I should have noticed this earlier. Please let me know if this will work and if we can get it done by next week.

Thank you,

Alicia Schneider
Legislative Aide
Office Of State Representative John Murtha
(608) 266-7683
alicia.schneider@legis.wisconsin.gov

From: Kreye, Joseph
Sent: Monday, January 14, 2013 10:14 AM
To: Schneider, Alicia
Subject: RE: redraft a bill

Thanks Alicia,

I'll enter the request and begin work on it.

Joe

Joseph Kreye
Senior Legislative Attorney
Legislative Reference Bureau
608 266-2263

From: LRB.Legal
Sent: Monday, January 14, 2013 9:31 AM
To: Kreye, Joseph
Cc: Schneider, Alicia
Subject: FW: redraft a bill

From: Schneider, Alicia
Sent: Monday, January 14, 2013 9:24 AM

To: LRB.Legal
Subject: redraft a bill

Good Morning,

I work in Rep. Murtha's office and I would like to request LRB-2456/1 be redrafted with a few minor changes. I have pasted the changes to this email. Please get back to me as soon as possible when you received this so I may keep track as to where the bill is in the process. Thank you for your time.

- Create a state income and franchise tax credit for workplace wellness programs that applies to taxable years beginning on January 1, 2014.
- The credit may be claimed for three taxable years, in an amount equal to 30% of what an employer paid in the taxable year to provide a workplace wellness program for employees in Wisconsin.
- Specify that unused credits may be carried forward for five years.
- Specify that the credit is only available to businesses with 50 or fewer employees and cannot be claimed for workplace wellness programs in existence prior to the effective date of the bill.
- Limit the total amount of tax credits that may be allocated in a year to \$2.5 million.
- Define a workplace wellness program as a health or fitness program that is certified by DHS and that includes health risk assessments, as well as one or more of the following programs or services: smoking cessation; weight management; stress management; injury prevention; health screenings; nutrition education; health or fitness incentives; vaccinations; or employee physical exams.
- Specify that costs related to the acquisition, construction, rehabilitation, remodeling, or repair of real property do not qualify as eligible expenses for purposes of the tax credit.

Thank you,

Alicia Schneider
Legislative Aide
Office Of State Representative John Murtha
(608) 266-7683
alicia.schneider@legis.wisconsin.gov



RMR

2013 BILL

in 1-23-13
due thru
1-30

D-N

gen act

1 **AN ACT to amend** 71.05 (6) (a) 15., 71.05 (6) (b) 47. b., 71.21 (4) (a), 71.26 (2) (a)
 2 4., 71.34 (1k) (g), 71.45 (2) (a) 10. and 77.92 (4); and **to create** 71.07 (8s), 71.10
 3 (4) (cf), 71.28 (8s), 71.30 (3) (cf), 71.47 (8s), 71.49 (1) (cf) and 73.155 of the
 4 statutes; **relating to:** an income and franchise tax credit for workplace
 5 wellness programs, granting rule-making authority, and requiring the exercise
 6 of rule-making authority.

of a small business

Analysis by the Legislative Reference Bureau

This bill creates an income and franchise tax credit for workplace wellness programs. The amount of the credit is equal to 30 percent of the amount that an employer pays in the taxable year to provide a workplace wellness program to any of the employer's employees who are employed in this state. A workplace wellness program is a health or fitness program, as certified by the Department of Health Services, that is provided with health risk assessments.

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

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

BILL**SECTION 1**

1 **SECTION 1.** 71.05 (6) (a) 15. of the statutes is amended to read:

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

9 **SECTION 2.** 71.05 (6) (b) 47. b. of the statutes is amended to read:

10 71.05 **(6)** (b) 47. b. With respect to partners and members of limited liability
11 companies, for taxable years beginning after December 31, 2010, for 2 consecutive
12 taxable years beginning with the taxable year in which the partnership's or limited
13 liability company's business locates to this state from another state or another
14 country and begins doing business in this state, as defined in s. 71.22 (1r), and subject
15 to the limitations provided under subd. 47. d. and e., the partner's or member's
16 distributive share of taxable income as calculated under section 703 of the Internal
17 Revenue Code; plus the items of income and gain under section 702 of the Internal
18 Revenue Code, including taxable state and municipal bond interest and excluding
19 nontaxable interest income or dividend income from federal government obligations;
20 minus the items of loss and deduction under section 702 of the Internal Revenue
21 Code, except items that are not deductible under s. 71.21; plus guaranteed payments
22 to partners under section 707 (c) of the Internal Revenue Code; plus the credits
23 claimed under s. 71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy),
24 (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s), (3t), (3w), (5e), (5f), (5g), (5h), (5i),
25 (5j), (5k), (5r), (5rm), ~~and (8r)~~, and (8s); and plus or minus, as appropriate,

BILL

1 transitional adjustments, depreciation differences, and basis differences under s.
2 71.05 (13), (15), (16), (17), and (19), multiplied by the apportionment fraction
3 determined in s. 71.04 (4) and subject to s. 71.04 (7) or by separate accounting. No
4 amounts subtracted under this subd. 47. b. may be included in the modification
5 under par. (b) 9. or 9m.

6 **SECTION 3.** 71.07 (8s) of the statutes is created to read:

7 71.07 (8s) WORKPLACE WELLNESS PROGRAM CREDIT. (a) *Definitions.* In this
8 subsection:

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

10 2. "Health risk assessment" means a computer-based health-promotion tool
11 consisting of a questionnaire; a biometric health screening to measure vital health
12 statistics, including blood pressure, cholesterol, glucose, weight, and height; a
13 formula for estimating health risks; an advice database; and a means to generate
14 reports.

15 (3) "Workplace wellness program" means a health or fitness program certified
16 under s. 73.155 (3), and includes health risk assessments and one or more of the
17 following programs or services:

- 18 a. Smoking cessation.
- 19 b. Weight management.
- 20 c. Stress management.
- 21 d. Worker injury prevention programs.
- 22 e. Health screenings.
- 23 f. Nutrition education.
- 24 g. Health or fitness incentive programs.
- 25 h. Vaccinations.

Insert
3-14

(15)

(3) (4)

BILL

at a small business

1 i. Employee physical examinations.

2 (b) *Filing claims.* Subject to the limitations provided in this subsection and s.
3 73.155, a claimant may claim as a credit against the taxes imposed under s. 71.02,
4 up to the amount of those taxes, in each taxable year for 3 years, an amount that is
5 equal to 30 percent of the amount that the claimant paid in the taxable year to
6 provide a workplace wellness program to any of the claimant's employees who are
7 employed in this state, not including any amount paid to acquire, construct,
8 rehabilitate, remodel, or repair real property. *by all claimants*

9 (c) *Limitations.* 1. Except as provided in s. 73.155 (2), the maximum amount
10 of the credits that may be claimed under this subsection and ss. 71.28 (8s) and 71.47
11 (8s) in any taxable year is \$2,500,000 for all claimants who employ 50 or fewer
12 employees in the taxable year and \$2,500,000 for all claimants who employ more
13 than 50 employees in the taxable year. *Annual year is \$3,000,000*

14 ² ₃ Partnerships, limited liability companies, and tax-option corporations may
15 not claim the credit under this subsection, but the eligibility for, and the amount of,
16 the credit are based on their payment of amounts under par. (b). A partnership,
17 limited liability company, or tax-option corporation shall compute the amount of
18 credit that each of its partners, members, or shareholders may claim and shall
19 provide that information to each of them. Partners, members of limited liability
20 companies, and shareholders of tax-option corporations may claim the credit in
21 proportion to their ownership interests.

22 3. No person may claim a credit under this subsection for expenses related to
23 a workplace wellness program in existence prior to the effective date of this
24 subdivision [LRB inserts date].

*Amend
4-13*

BILL

1 (d) *Administration*. 1. Section 71.28 (4) (e), (g), and (h), as it applies to the
2 credit under s. 71.28 (4), applies to the credit under this subsection.

3 2. If a credit computed under this subsection is not entirely offset against
4 Wisconsin income or franchise taxes otherwise due, the unused balance may be
5 carried forward and credited against Wisconsin income or franchise taxes otherwise
6 due for the following 5 taxable years to the extent not offset by these taxes otherwise
7 due in all intervening years between the year in which the expense was incurred and
8 the year in which the carry-forward credit is claimed.

9 **SECTION 4.** 71.10 (4) (cf) of the statutes is created to read:

10 71.10 (4) (cf) Workplace wellness program credit under s. 71.07 (8s).

11 **SECTION 5.** 71.21 (4) (a) of the statutes is amended to read:

12 71.21 (4) (a) The amount of the credits computed by a partnership under s.
13 71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dm), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p),
14 (3q), (3r), (3rm), (3rn), (3s), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm),
15 (6n), ~~and (8r), and (8s)~~ and passed through to partners shall be added to the
16 partnership's income.

17 **SECTION 6.** 71.26 (2) (a) 4. of the statutes is amended to read:

18 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dd),
19 (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r),
20 (3rm), (3rn), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), (8r), (8s),
21 and (9s) and not passed through by a partnership, limited liability company, or
22 tax-option corporation that has added that amount to the partnership's, limited
23 liability company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k)
24 (g).

25 **SECTION 7.** 71.28 (8s) of the statutes is created to read:

BILL

1 71.28 (8s) WORKPLACE WELLNESS PROGRAM CREDIT. (a) *Definitions.* In this
2 subsection:

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

4 2. "Health risk assessment" means a computer-based health-promotion tool
5 consisting of a questionnaire; a biometric health screening to measure vital health
6 statistics, including blood pressure, cholesterol, glucose, weight, and height; a
7 formula for estimating health risks; an advice database; and a means to generate
8 reports.

Insert
6-8

9 3. "Workplace wellness program" means a health or fitness program certified
10 under s. 73.155 (3), and includes health risk assessments and one or more of the
11 following programs or services:

- 12 a. Smoking cessation.
- 13 b. Weight management.
- 14 c. Stress management.
- 15 d. Worker injury prevention programs.
- 16 e. Health screenings.
- 17 f. Nutrition education.
- 18 g. Health or fitness incentive programs.
- 19 h. Vaccinations.
- 20 i. Employee physical examinations.

21 (b) *Filing claims.* Subject to the limitations provided in this subsection and s.
22 73.155, a claimant may claim as a credit against the taxes imposed under s. 71.23,
23 up to the amount of those taxes, in each taxable year for 3 years, an amount that is
24 equal to 30 percent of the amount that the claimant paid in the taxable year to
25 provide a workplace wellness program to any of the claimant's employees who are

BILL

at a small business

1

employed in this state, not including any amount paid to acquire, construct, rehabilitate, remodel, or repair real property.

2

by all claimants

3

(c) *Limitations.* 1. Except as provided in s. 73.155 (2), the maximum amount of the credits that may be claimed under this subsection and ss. 71.07 (8s) and 71.47

4

(8s) in any taxable year is \$2,500,000 for all claimants who employ 50 or fewer employees in the taxable year and \$2,500,000 for all claimants who employ more than 50 employees in the taxable year.

5

6

limited year is \$3,000,000

7

8

Partnerships, limited liability companies, and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of,

9

the credit are based on their payment of amounts under par. (b). A partnership, limited liability company, or tax-option corporation shall compute the amount of

10

11

credit that each of its partners, members, or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability

12

13

companies, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interests.

14

15

16

3. No person may claim a credit under this subsection for expenses related to a workplace wellness program in existence prior to the effective date of this subdivision [LRB inserts date].

17

18

19

(d) *Administration.* 1. Subsection (4) (e), (g), and (h), as it applies to the credit under sub. (4), applies to the credit under this subsection.

20

21

2. If a credit computed under this subsection is not entirely offset against Wisconsin income or franchise taxes otherwise due, the unused balance may be

22

23

carried forward and credited against Wisconsin income or franchise taxes otherwise due for the following 5 taxable years to the extent not offset by these taxes otherwise

24

insert 77

BILL**SECTION 7**

1 due in all intervening years between the year in which the expense was incurred and
2 the year in which the carry-forward credit is claimed.

3 **SECTION 8.** 71.30 (3) (cf) of the statutes is created to read:

4 71.30 (3) (cf) Workplace wellness program credit under s. 71.28 (8s).

5 **SECTION 9.** 71.34 (1k) (g) of the statutes is amended to read:

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

10 **SECTION 10.** 71.45 (2) (a) 10. of the statutes is amended to read:

11 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
12 computed under s. 71.47 (1dd) to (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn),
13 (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), (8r), ~~(8s)~~, and (9s) and not
14 passed through by a partnership, limited liability company, or tax-option
15 corporation that has added that amount to the partnership's, limited liability
16 company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g) and
17 the amount of credit computed under s. 71.47 (1), (3), (3t), (4), (4m), and (5).

18 **SECTION 11.** 71.47 (8s) of the statutes is created to read:

19 71.47 (8s) WORKPLACE WELLNESS PROGRAM CREDIT. (a) *Definitions.* In this
20 subsection:

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

22 2. "Health risk assessment" means a computer-based health-promotion tool
23 consisting of a questionnaire; a biometric health screening to measure vital health
24 statistics, including blood pressure, cholesterol, glucose, weight, and height; a

BILL

Insert
9-2

1 formula for estimating health risks; an advice database; and a means to generate
2 reports.

3 ³ ⁴ "Workplace wellness program" means a health or fitness program certified
4 under s. 73.155 (3), and includes health risk assessments and one or more of the
5 following programs or services:

- 6 a. Smoking cessation.
- 7 b. Weight management.
- 8 c. Stress management.
- 9 d. Worker injury prevention programs.
- 10 e. Health screenings.
- 11 f. Nutrition education.
- 12 g. Health or fitness incentive programs.
- 13 h. Vaccinations.
- 14 i. Employee physical examinations.

at a small business

15 (b) *Filing claims.* Subject to the limitations provided in this subsection and s.
16 73.155, a claimant may claim as a credit against the taxes imposed under s. 71.43,
17 up to the amount of those taxes, in each taxable year for 3 years, an amount that is
18 equal to 30 percent of the amount that the claimant paid in the taxable year to
19 provide a workplace wellness program to any of the claimant's employees who are
20 employed in this state, not including any amount paid to acquire, construct,
21 rehabilitate, remodel, or repair real property.

22 (c) *Limitations.* 1. Except as provided in s. 73.155 (2), the maximum amount
23 of the credits that may be claimed under this subsection and ss. 71.07 (8s) and 71.28
24 (8s) in any taxable year is \$2,500,000 for all claimants who employ 50 or fewer

by all claimants

BILL

Amend
10-2
1
2
3

employees in the taxable year and \$2,500,000 for all claimants who employ more than 50 employees in the taxable year. *Circular year is \$3,000,000*

Partnerships, limited liability companies, and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit are based on their payment of amounts under par. (b). A partnership, limited liability company, or tax-option corporation shall compute the amount of credit that each of its partners, members, or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interests.

3. ~~No person may claim a credit under this subsection for expenses related to a workplace wellness program in existence prior to the effective date of this subdivision ... [LRB inserts date].~~

(d) *Administration.* 1. Section 71.28 (4) (e), (g), and (h), as it applies to the credit under s. 71.28 (4), applies to the credit under this subsection.

2. If a credit computed under this subsection is not entirely offset against Wisconsin income or franchise taxes otherwise due, the unused balance may be carried forward and credited against Wisconsin income or franchise taxes otherwise due for the following 5 taxable years to the extent not offset by these taxes otherwise due in all intervening years between the year in which the expense was incurred and the year in which the carry-forward credit is claimed.

SECTION 12. 71.49 (1) (cf) of the statutes is created to read:

71.49 (1) (cf) Workplace wellness program credit under s. 71.47 (8s).

SECTION 13. 73.155 of the statutes is created to read:

BILL

SECTION 13

In consultation with the

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16

73.155 Workplace wellness programs. (1) ~~The~~ department of revenue ~~and~~ the department of health services shall ~~implement a program to~~ certify workplace wellness programs developed by a business or independent provider as described under ss. 71.07 (8s), 71.28 (8s), and 71.47 (8s).

(2) If the department of health services certifies a workplace wellness program under sub. (1), the department of revenue shall determine the amount of workplace wellness program credits to allocate to the business providing the workplace wellness program. The total amount of workplace wellness program credits

allocated to businesses in any ^{year} may not exceed \$5,000,000. In any year, the department of revenue may not allocate more than \$2,500,000 in credits to businesses with more than 50 employees, and may not allocate more than \$2,500,000 in credits to businesses with 50 or fewer employees, ~~except that the department may increase the allocation to businesses with 50 or fewer employees by the amount of any credits the department is not able to allocate to businesses with 50 or more employees.~~

\$3,000,000

, in consultation with

(3) The department of revenue ~~and~~ the department of health services shall promulgate rules to administer this section.

SECTION 14. 77.92 (4) of the statutes is amended to read:

77.92 (4) "Net business income," with respect to a partnership, means taxable income as calculated under section 703 of the Internal Revenue Code; plus the items of income and gain under section 702 of the Internal Revenue Code, including taxable state and municipal bond interest and excluding nontaxable interest income or dividend income from federal government obligations; minus the items of loss and deduction under section 702 of the Internal Revenue Code, except items that are not deductible under s. 71.21; plus guaranteed payments to partners under section 707

BILL**SECTION 14**

1 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),
2 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r),
3 (3rm), (3rn), (3s), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5n), (5r), (5rm), (6n),
4 ~~and~~ (8r), and (8s); and plus or minus, as appropriate, transitional adjustments,
5 depreciation differences, and basis differences under s. 71.05 (13), (15), (16), (17), and
6 (19); but excluding income, gain, loss, and deductions from farming. “Net business
7 income,” with respect to a natural person, estate, or trust, means profit from a trade
8 or business for federal income tax purposes and includes net income derived as an
9 employee as defined in section 3121 (d) (3) of the Internal Revenue Code.

SECTION 15. Initial applicability.

10 (1) This act first applies to taxable years beginning on January 1, 2014.

12 (END)