



State of Wisconsin
2011 - 2012 LEGISLATURE



LRBs0184/1
JK:wlj:rs

SENATE SUBSTITUTE AMENDMENT 1,
TO 2011 SENATE BILL 164

inserts

LPS: The inserts
are scattered through
this - they're marked.
It's not one giant
insert.

October 18, 2011 - Offered by Senator MOULTON.

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.

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:

8 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),
9 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r),
10 (3rm), (3rn), (3s), (3t), (3w), (5e), (5f), (5h), (5i), (5j), (5k), (5n), (5r), (5rm), ~~and~~ (8r),
11 and (8s) and not passed through by a partnership, limited liability company, or

1 tax-option corporation that has added that amount to the partnership's, company's,
2 or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g).

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

4 71.07 (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. "Small business" means a business that has 50 or fewer employees.

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

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

Insert 3-14

1 (b) *Filing claims.* Subject to the limitations provided in this subsection and s.
2 73.15, a claimant may claim as a credit against the taxes imposed under s. 71.02, up
3 to the amount of those taxes, in each taxable year for 3 years, an amount that is equal
4 to 30 percent of the amount that the claimant paid in the taxable year to provide a
5 workplace wellness program to any of the claimant's employees who are employed
6 as a small business located in this state, not including any amount paid to acquire,
7 construct, rehabilitate, remodel, or repair real property.

8 (c) *Limitations.* 1. Except as provided in s. 73.15 (2), the maximum amount
9 of the credits that may be claimed by all claimants under this subsection and ss. 71.28
10 (8s) and 71.47 (8s) in any fiscal year is \$3,000,000. insert 4-13

11 2. No person may claim a credit under this subsection for a workplace wellness
12 program in existence before the effective date of this subdivision [LRB inserts
13 date].

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

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

1 carried forward and credited against Wisconsin income or franchise taxes otherwise
2 due for the following 5 taxable years to the extent not offset by these taxes otherwise
3 due in all intervening years between the year in which the expense was incurred and
4 the year in which the carry-forward credit is claimed.

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

6 71.10 (4) (cf) Workplace wellness program credit under s. 71.07 (8s).

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

9 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
10 (2dj), (2dL), (2dm), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s),
11 (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5n), (5r), (5rm), ~~and (8r), and (8s)~~ and
12 passed through to partners shall be added to the partnership's income.

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

15 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dd),
16 (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r),
17 (3rm), (3rn), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5n), (5r), (5rm), (8r), ~~(8s)~~
18 and (9s) and not passed through by a partnership, limited liability company, or
19 tax-option corporation that has added that amount to the partnership's, limited
20 liability company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k)
21 (g).

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

23 71.28 (8s) WORKPLACE WELLNESS PROGRAM CREDIT. (a) *Definitions.* In this
24 subsection:

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

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

6 3. “Small business” means a business that has 50 or fewer employees.

7 4. “Workplace wellness program” means a health or fitness program certified
8 under s. 73.15 (3), and includes health risk assessments and one or more of the
9 following programs or services:

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

19 (b) *Filing claims.* Subject to the limitations provided in this subsection and s.
20 73.15, a claimant may claim as a credit against the taxes imposed under s. 71.23, up
21 to the amount of those taxes, in each taxable year for 3 years, an amount that is equal
22 to 30 percent of the amount that the claimant paid in the taxable year to provide a
23 workplace wellness program to any of the claimant’s employees who are employed
24 at a small business located in this state, not including any amount paid to acquire,
25 construct, rehabilitate, remodel, or repair real property.

1 (c) *Limitations.* 1. Except as provided in s. 73.15 (2), the maximum amount
2 of the credits that may be claimed by all claimants under this subsection and ss. 71.07
3 (8s) and 71.47 (8s) in any fiscal year is \$3,000,000. *Current 7-7*

4 2. No person may claim a credit under this subsection for a workplace wellness
5 program in existence before the effective date of this subdivision [LRB inserts
6 date].

7 3. Partnerships, limited liability companies, and tax-option corporations may
8 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,
10 limited liability company, or tax-option corporation shall compute the amount of
11 credit that each of its partners, members, or shareholders may claim and shall
12 provide that information to each of them. Partners, members of limited liability
13 companies, and shareholders of tax-option corporations may claim the credit in
14 proportion to their ownership interests.

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

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

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

24 71.30 (3) (cf) Workplace wellness program credit under s. 71.28 (8s).

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

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

7 **SECTION 9.** 71.45 (2) (a) 10. of the statutes, as affected by 2011 Wisconsin Act
8 32, 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), (5n), (5r), (5rm), (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).

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

17 71.47 **(8s)** WORKPLACE WELLNESS PROGRAM CREDIT. (a) *Definitions.* In this
18 subsection:

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

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

25 3. "Small business" means a business that has 50 or fewer employees.

Current 9-2

1 4. “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.
- 12 i. Employee physical examinations.

13 (b) *Filing claims.* Subject to the limitations provided in this subsection and s.
14 73.15, a claimant may claim as a credit against the taxes imposed under s. 71.43, 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 at a small business located in this state, not including any amount paid to acquire,
19 construct, rehabilitate, remodel, or repair real property.

20 (c) *Limitations.* 1. Except as provided in s. 73.15 (2), the maximum amount
21 of the credits that may be claimed by all claimants under this subsection and ss. 71.07
22 (5i) and 71.28 (5i) in any fiscal year is \$3,000,000.

23 2. No person may claim a credit under this subsection for a workplace wellness
24 program in existence before the effective date of this subdivision [LRB inserts
25 date].

Insert 10 2

1 3. 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.* 1. Section 71.28 (4) (e), (g), and (h), as it applies to the
10 credit under s. 71.28 (4), applies to the credit under this subsection.

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

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

18 71.49 (1) (cf) Workplace wellness program credit under s. 71.47 (8s).

19 **SECTION 12.** 73.15 of the statutes is created to read:

20 **73.15 Workplace wellness programs. (1)** In consultation with the
21 department of revenue, the department of health services shall certify workplace
22 wellness programs developed by a business or independent provider as described
23 under ss. 71.07 (8s), 71.28 (8s), and 71.47 (8s).

24 **(2)** If the department of health services certifies a workplace wellness program
25 under sub. (1), the department of revenue shall determine the amount of workplace

1 wellness program credits to allocate to the business providing the workplace
2 wellness program. The total amount of workplace wellness program credits
3 allocated to businesses in any fiscal year may not exceed \$3,000,000.

4 (3) The department of revenue, in consultation with the department of health
5 services, shall promulgate rules to administer this section.

6 **SECTION 13.** 77.92 (4) of the statutes, as affected by 2011 Wisconsin Act 32, is
7 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), and
18 (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.

24 **SECTION 14. Initial applicability.**

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1142/2dn

JK:sac:j

- date -

Representative Murtha:

This version of the draft is based on Senate Substitute Amendment 1 to 2011 Senate Bill 164. ✓

Joseph T. Kreye
Senior Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.wisconsin.gov

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1142/2dn

JK:sac:rs

January 28, 2013

Representative Murtha:

This version of the draft is based on Senate Substitute Amendment 1 to 2011 Senate Bill 164.

Joseph T. Kreye
Senior Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.wisconsin.gov

Kreye, Joseph

1142

From: Schneider, Alicia
Sent: Tuesday, February 12, 2013 12:28 PM
To: Kreye, Joseph
Subject: RE: redraft a bill

Good Afternoon,

Would it possible to eliminate the portion of the bill stating "smoking cessation" as a program or service and replace it with "chronic disease prevention"

Thank you,

Alicia Schneider

Research Assistant

Office Of State Representative John Murtha

(608) 266-7683

alicia.schneider@legis.wisconsin.gov

From: Kreye, Joseph
Sent: Thursday, January 24, 2013 10:07 AM
To: Schneider, Alicia
Subject: RE: redraft a bill

Will do.

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

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



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-1142/2

JK:sac:63

RMR

2013 BILL

in 2-12-13

due Friday 2-15

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.

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 at a small business 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. "Small business" means a business that has 50 or fewer employees.

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

19 a. Smoking cessation.

Chronic disease prevention

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.

BILL**SECTION 3**

1 h. Vaccinations.

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

10 (c) *Limitations.* 1. Except as provided in s. 73.155 (2), the maximum amount
11 of the credits that may be claimed by all claimants under this subsection and ss. 71.28
12 (8s) and 71.47 (8s) in any fiscal year is \$3,000,000.

13 2. No person may claim a credit under this subsection for a workplace wellness
14 program in existence before the effective date of this subdivision [LRB inserts
15 date].

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

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

BILL

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.

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

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

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

10 71.21 (4) (a) The amount of the credits computed by a partnership under s.
11 71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dm), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p),
12 (3q), (3r), (3rm), (3rn), (3s), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm),
13 (6n), ~~and (8r), and (8s)~~ and passed through to partners shall be added to the
14 partnership's income.

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

16 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dd),
17 (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r),
18 (3rm), (3rn), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), (8r), (8s),
19 and (9s) and not passed through by a partnership, limited liability company, or
20 tax-option corporation that has added that amount to the partnership's, limited
21 liability company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k)
22 (g).

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

24 71.28 (8s) WORKPLACE WELLNESS PROGRAM CREDIT. (a) *Definitions.* In this
25 subsection:

BILL

SECTION 7

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

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

7 3. "Small business" means a business that has 50 or fewer employees.

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

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

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

BILL

1 employed at a small business in this state, not including any amount paid to acquire,
2 construct, rehabilitate, remodel, or repair real property.

3 (c) *Limitations.* 1. Except as provided in s. 73.155 (2), the maximum amount
4 of the credits that may be claimed by all claimants under this subsection and ss. 71.07
5 (8s) and 71.47 (8s) in any fiscal year is \$3,000,000.

6 2. No person may claim a credit under this subsection for a workplace wellness
7 program in existence before the effective date of this subdivision [LRB inserts
8 date].

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

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

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

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

BILL**SECTION 8**

1 71.30 (3) (cf) Workplace wellness program credit under s. 71.28 (8s).

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

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

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

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

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

16 71.47 (8s) WORKPLACE WELLNESS PROGRAM CREDIT. (a) *Definitions.* In this
17 subsection:

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

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

24 3. "Small business" means a business that has 50 or fewer employees.

BILL

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

4 a. ~~Smoking cessation.~~ *Chronic disease prevention*

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.

12 i. Employee physical examinations.

13 (b) *Filing claims.* Subject to the limitations provided in this subsection and s.
14 73.155, a claimant may claim as a credit against the taxes imposed under s. 71.43,
15 up to the amount of those taxes, in each taxable year for 3 years, an amount that is
16 equal to 30 percent of the amount that the claimant paid in the taxable year to
17 provide a workplace wellness program to any of the claimant’s employees who are
18 employed at a small business in this state, not including any amount paid to acquire,
19 construct, rehabilitate, remodel, or repair real property.

20 (c) *Limitations.* 1. Except as provided in s. 73.155 (2), the maximum amount
21 of the credits that may be claimed by all claimants under this subsection and ss. 71.07
22 (8s) and 71.28 (8s) in any fiscal year is \$3,000,000.

23 2. No person may claim a credit under this subsection for a workplace wellness
24 program in existence before the effective date of this subdivision [LRB inserts
25 date].

BILL**SECTION 11**

1 3. 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.* 1. Section 71.28 (4) (e), (g), and (h), as it applies to the
10 credit under s. 71.28 (4), applies to the credit under this subsection.

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

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

18 71.49 (1) (cf) Workplace wellness program credit under s. 71.47 (8s).

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

20 **73.155 Workplace wellness programs.** (1) In consultation with the
21 department of revenue, the department of health services shall certify workplace
22 wellness programs developed by a business or independent provider as described
23 under ss. 71.07 (8s), 71.28 (8s), and 71.47 (8s).

24 (2) If the department of health services certifies a workplace wellness program
25 under sub. (1), the department of revenue shall determine the amount of workplace

BILL

1 wellness program credits to allocate to the business providing the workplace
2 wellness program. The total amount of workplace wellness program credits
3 allocated to businesses in any fiscal year may not exceed \$3,000,000.

4 (3) The department of revenue, in consultation with the department of health
5 services, shall promulgate rules to administer this section.

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

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

23 **SECTION 15. Initial applicability.**

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

25 (END)

Rose, Stefanie

From: Schneider, Alicia
Sent: Monday, February 18, 2013 2:43 PM
To: LRB.Legal
Subject: Draft Review: LRB -1142/3 Topic: Tax credits for workplace wellness programs

Please Jacket LRB -1142/3 for the ASSEMBLY.