

2013 DRAFTING REQUEST

Assembly Amendment (AA-AB484)

Received: 1/14/2014 Received By: jkreye
Wanted: Today Same as LRB:
For: Dale Kooyenga (608) 266-9180 By/Representing: bill
May Contact: Drafter: jkreye
Subject: Tax, Business - credits Addl. Drafters:
Extra Copies:

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

Pre Topic:

No specific pre topic given

Topic:

Adopt federal changes to the computation of the alternative minimum tax related to amounts and indexing; change computation order

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 1/14/2014	kfollett 1/14/2014		_____			
/1			jmurphy 1/14/2014	_____	srose 1/14/2014	srose 1/14/2014	

FE Sent For:

<END>

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/?	jkreye	1/15f 1/14	1/15f 1/14	_____			

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<END>



ASSEMBLY AMENDMENT,
TO ASSEMBLY BILL 484

a1428/1

in 1-14
due filed 1-15 by NOON

Insert 1-1

#, page 1, line 7: after "printing," insert "the alternative minimum tax,"

Insert 1-2

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

2 1. Page 5, line 8: after that line insert:

Insert 1-5

3 SECTION 8m. 71.07 (5m) (a) 4. of the statutes is amended to read:

4 71.07 (5m) (a) 4. "Net tax liability" means a claimant's income tax liability after
5 he or she completes the computations listed in s. 71.10 (4) (a) to (dr) and (fb).

Insert 1-6

6 2. Page 5, line 19: after "(3w)," insert "(5)."
7 (ab)

8 3. Page 5, line 25: after that line insert:

9 "SECTION 10d. 71.08 (1) (d) of the statutes is amended to read:

10 71.08 (1) (d) Subtract from the amount under par. (c) the appropriate amount
11 under section 55 (d) (1) and, (3), and (4) of the internal revenue code federal Internal
12 Revenue Code in effect for the taxable year; except that surviving spouses shall be
13 treated as single individuals; except that the amount under par. (c), not the federal
alternative minimum taxable income, shall be used in calculating the phase-out and

1 except that for nonresidents and part-year residents the amount under section 55
 2 (d) (1) ~~and, (3), and (4)~~ of the ~~internal revenue code~~ federal Internal Revenue Code
 3 in effect for the taxable year shall be prorated on the basis of the ratio of Wisconsin
 4 adjusted gross income to federal adjusted gross income. //

5 **SECTION 10m.** 71.10 (4) (c) of the statutes is renumbered 71.10 (4) (fb)."

6 **4.** Page 9, line 25: after that line insert:

7 "(1d) The treatment of sections 71.07 (5m) (a) 4, 71.08 (1) (intro.) (as it relates) and
 8 to the itemized deduction credit, 71.08 (1) (d), and 71.10 (4) (c) of the statutes first
 9 applies to taxable years beginning on January 1, 2014."

10 (END)

(4k) (b) 1., (5k) (b),

Insert
2-4

and (b) (intro.), and (9n) (a)
 and
 (a) and (f)

**2013-2014 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBa1428/?ins
JK:.....

Insert 1-1

1. Page 5, line 5: after that line insert:

“**SECTION 7m.** 71.07 (4k) (b) 1. of the statutes, as created by 2013 Wisconsin Act 20, is amended to read:

71.07 (**4k**) (b) 1. Subject to the limitations provided in this subsection, and except as provided in subs. 2. and 3., for taxable years beginning after December 31, 2012, an individual, a partner of a partnership, a shareholder of a tax-option corporation, or a member of a limited liability company may claim a credit against the tax imposed under s. 71.02 or 71.08, as allocated under par. (d), an amount equal to 5 percent of the amount obtained by subtracting from the individual's, partnership's, tax-option corporation's, or limited liability company's qualified research expenses, as defined in section 41 of the Internal Revenue Code, except that “qualified research expenses” includes only expenses incurred by the individual, partnership, tax-option corporation, or the limited liability company, incurred for research conducted in this state for the taxable year, except that a taxpayer may elect the alternative computation under section 41 (c) (4) of the Internal Revenue Code and that election applies until the department permits its revocation, except as provided in par. (c), and except that “qualified research expenses” does not include compensation used in computing the credit under subs. (2dj) and (2dx), the entity's base amount, as defined in section 41 (c) of the Internal Revenue Code, except that gross receipts used in calculating the base amount means gross receipts from sales attributable to Wisconsin under ss. 71.04 (7) (b) 1. and 2., (df), (dh), (dj), and (dk).

Section 41 (h) of the Internal Revenue Code does not apply to the credit under this subdivision.”.

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135, 183, 255, 267, 326; 2005 a. 25, 49, 72, 74, 97, 177, 254, 361, 387, 479, 483, 487; 2007 a. 11, 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 s. 80; 2013 a. 20, 54, 62, 116; s. 35.17 correction in (2dr) (a), (5n) (a) (intro.).

Insert 1-2

✓
“SECTION 8d. 71.07 (5k) (b) of the statutes is amended to read:

71.07 (5k) (b) *Filing claims.* Subject to the limitations provided in this subsection, for taxable years beginning after July 1, 2011, a claimant may claim as a credit against the tax imposed under s. 71.02 or 71.08, up to the amount of those taxes, an amount equal to 5 percent of the amount the claimant paid in the taxable year to a community rehabilitation program to perform work for the claimant’s business, pursuant to a contract.

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135, 183, 255, 267, 326; 2005 a. 25, 49, 72, 74, 97, 177, 254, 361, 387, 479, 483, 487; 2007 a. 11, 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 s. 80; 2013 a. 20, 54, 62, 116; s. 35.17 correction in (2dr) (a), (5n) (a) (intro.).

Insert 1-5

✓
SECTION 8p. 71.07 (5m) (b) (intro.) of the statutes is amended to read:

71.07 (5m) (b) *Filing claims.* (intro.) Subject to the limitations provided in this subsection, a claimant may claim as a credit against the tax imposed under s. 71.02 or 71.08, up to the amount of those taxes, one of the following amounts:”.

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135, 183, 255, 267, 326; 2005 a. 25, 49, 72, 74, 97, 177, 254, 361, 387, 479, 483, 487; 2007 a. 11, 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 s. 80; 2013 a. 20, 54, 62, 116; s. 35.17 correction in (2dr) (a), (5n) (a) (intro.).

2. Page 5, line 14: after that line insert:

X
“SECTION ^{9m} 8q. 71.07 (9r) (a) of the statutes is amended to read:

71.07 (9r) (a) For taxable years beginning on or after August 1, 1988, any natural person may credit against taxes otherwise due under s. 71.02 or 71.08 an amount equal to 25% of the costs of preservation or rehabilitation of historic property located in this state, including architectural fees and costs incurred in preparing

nomination forms for listing in the national register of historic places in Wisconsin or the state register of historic places, if the nomination is made within 5 years prior to submission of a preservation or rehabilitation plan under par. (b) 3. b., and if the physical work of construction or destruction in preparation for construction begins after December 31, 1988, except that the credit may not exceed \$10,000, or \$5,000 for married persons filing separately, for any preservation or rehabilitation project.”.

~~Cross-reference: Cross-reference: See also s. Tax 2.956, Wis. adm. code Cross-reference.~~
~~History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135, 183, 255, 267, 326; 2005 a. 25, 49, 72, 74, 97, 177, 254, 361, 387, 479, 483, 487; 2007 a. 11, 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 s. 80; 2013 a. 20, 54, 62, 116; s. 35.17 correction in (2dr) (a), (5n) (a) (intro.).~~

Insert 1-6

3. Page 5, line 15: delete lines 15 to 25 and substitute:

*as affected by
2013 Wisconsin
Act 20,*

“SECTION 10b. 71.08 (1) (intro.) of the statutes ^{is} amended to read:

71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married couple filing jointly, trust, or estate under s. 71.02, not considering the credits under ss. 71.07 (1), (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2dy), (3m), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s), (3t), (3w), (5b), (5d), (5e), (5f), (5h), (5i), (5j), (6), (6e), (8r), (9e), and (9m), 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1dy), (2m), (3), (3n), (3t), and (3w), 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1dy), (2m), (3), (3n), (3t), and (3w), 71.57 to 71.61, and 71.613 and subch. VIII and payments to other states under s. 71.07 (7), is less than the tax under this section, there is imposed on that natural person, married couple filing jointly, trust or estate, instead of the tax under s. 71.02, an alternative minimum tax computed as follows.”.

~~History: 1987 a. 312, 411; 1989 a. 31; 1991 a. 39; 1995 a. 27, 209; 1997 a. 27, 237; 1999 a. 9; 2001 a. 109; 2003 a. 99, 135, 255, 326; 2005 a. 25, 177, 361, 479, 483; 2007 a. 20, 97; 2009 a. 2, 28, 269, 295; 2011 a. 260 ss. 24, 80; 2013 a. 62.~~

Insert 2-4

4. Page 6, line 1: delete that line and substitute:

“SECTION 11b. 71.10 (4) (a) of the statutes ^{is} renumbered 71.10 (4) (ad).

α

SECTION 11d. 71.10 (4) (f) of the statutes is renumbered 71.10 (4) (ab).”