

Vers. Drafted

Reviewed

Typed
1/22/2014

Proofed

Submitted
1/22/2014

Jacketed
1/22/2014

Required
S&L

FE Sent For:

<END>

→ 01-24-2014
("1")

See
attached

Vers. Drafted

Reviewed

Typed
1/22/2014

Proofed

Submitted
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Jacketed

Required
S&L

FE Sent For:

<END>

2013 Jr4 DRAFTING REQUEST

Bill

Received: **1/21/2014** Received By: **chanaman**
 Wanted: **As time permits** Same as LRB:
 For: **Governor** By/Representing: **Sara Hynek**
 May Contact: Drafter: **chanaman**
 Subject: **State Govt - miscellaneous** Addl. Drafters:
 Extra Copies:

Submit via email: **YES**
 Requester's email: **sara.hynek@doa.state.wi.us**
 Carbon copy (CC) to: **jennifer.kraus@doa.state.wi.us**
michael.heifetz@wisconsin.gov
kirsten.grinde@doa.state.wi.us

Pre Topic:

No specific pre topic given

Topic:

Compile for state of the state

Instructions:

See attached. -4017, -4025, -4026, -4035

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>
/P1	chanaman 1/22/2014	wjackson 1/22/2014	rschluet 1/22/2014	_____	srose 1/22/2014		State S&L
/P2		1/22/14	rschluet 1/22/2014	_____	srose 1/22/2014		State S&L

*Answers
1/22*

*JACKET
FOR
ASSEMBLY*

FE Sent For:

<END>

2013 DRAFTING REQUEST

Bill

Received: 1/21/2014 Received By: chanaman
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 For: Legislative Reference Bureau By/Representing:
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 Extra Copies:

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 Requester's email:
 Carbon copy (CC) to:

Pre Topic:

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/P1	chanaman 1/22/2014	wjackson 1/22/2014	rschluet 1/22/2014	_____	srose 1/22/2014		State S&L
/P2			rschluet 1/22/2014	_____	srose 1/22/2014		State S&L

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<END>

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Pre Topic:

No specific pre topic given

Topic:

Compile for state of the state

Instructions:

See attached. -3988, -4017, -4025, -4026, -4035

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>
/P1	chanaman	/P1 WLj 1/22	<i>[Signature]</i>	<i>[Signature]</i>			

FE Sent For:

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State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-4039/P1

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Now

LPS - please fit request sheet

Instructions

of all

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

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1 **AN ACT** ...; relating to: workforce training grants to technical colleges, workforce
 2 training grants for collaborative projects among school districts, technical
 3 colleges, and businesses, workforce training grants and services to enhance
 4 employment opportunities for persons with disabilities, and making an
 5 appropriation; reducing the lowest individual income tax rate; providing
 6 technical college property tax relief aid and establishing a technical college district
 7 revenue limit, and making an appropriation; the carry-back of net operating
 8 losses, the sales and use tax exemption for commercial printing, the jobs tax
 9 credit, the electronic medical records credit, the manufacturing and agriculture
 10 credit, the research credit, the state historic rehabilitation credit, and the
 11 relocated business credit; a general effective date provision.

Sub
Workforce Training

and making an appropriation

Analysis by the Legislative Reference Bureau

***** ANALYSIS FROM -3988/P3 *****

~~Current law requires the Department of Workforce Development (DWD) to establish a statewide workforce investment system to meet the employment, training, and educational needs of persons in this state; to plan, coordinate,~~

administer, and implement a youth apprenticeship program and such other employment and education programs as the governor may assign to DWD; to make grants to persons providing employment and training activities to dislocated workers; and to award grants to public and private organizations for the development and implementation of workforce training programs for the training of both new and incumbent employees of businesses in this state.

This bill decreases the general purpose revenue supplemental appropriation to the Joint Committee on Finance by \$35,400,000 in the 2013-15 state fiscal biennium and increases the workforce training program grants appropriation to DWD by that amount in that biennium and requires DWD to allocate that amount for all of the following:

1. Grants to technical colleges for the reduction of waiting lists for enrollment in programs and courses in high-demand fields, as determined by DWD.
2. Grants for collaborative projects among school districts, technical colleges, and businesses to provide high school pupils with industry-recognized certifications in high-demand fields, as determined by DWD.
3. Grants to public and private organizations or services provided by DWD to enhance employment opportunities for persons with disabilities.
4. If DWD determines that the full amount transferred under the bill will not be needed for grants under the bill to technical colleges and school districts or for grants or services under the bill to enhance employment opportunities for persons with disabilities, grants for workforce training programs for the training of new and incumbent employees under current law.

The bill requires DWD, in submitting information to the Department of Administration for purposes of the 2015-17 biennial budget act, to submit information for the workforce training program grants appropriation as though the increase in the dollar amount in that appropriation under the bill had not been made. As a result, the amount of that increase is not included in the base amount for the 2015-17 biennial budget.

Sub
Individual
income tax
rates

***** ANALYSIS FROM -4017/2 *****

Under current law, there are four income tax brackets for single individuals, certain fiduciaries, heads of households, and married persons. The brackets are indexed for inflation. The rate of taxation under current law for the lowest bracket for single individuals, certain fiduciaries, heads of households, and married persons is 4.40 percent of taxable income; the rate for the second bracket is 5.84 percent; the rate for the third bracket is 6.27 percent; and the rate for the highest bracket is 7.65 percent. Before applying bracket indexing, the four brackets for individuals, certain fiduciaries, and heads of households, to which the above rates apply, are as follows: taxable income from \$0 to \$7,500; taxable income exceeding \$7,500 but not exceeding \$15,000; taxable income exceeding \$15,000 but not exceeding \$225,000; and taxable income exceeding \$225,000.

This rate and bracket structure first applies to taxable year 2013, and was enacted in 2013 Wisconsin Act 20, the state budget bill.

For taxable years beginning after December 31, 2013, this bill lowers the rate of taxation for the lowest tax bracket. Under the bill, the rate of taxation for the

lowest bracket for single individuals, certain fiduciaries, heads of households, and married persons is 4.0 percent of taxable income.

*** ANALYSIS FROM -4025/3 ***

TECHNICAL COLLEGE SYSTEM

This bill provides property tax relief aid to technical college districts. In 2014 and annually thereafter, the aid is distributed to each district on the basis of its equalized value as compared to the equalized value of all technical college districts in 2014.

The bill eliminates the current limit on a technical college district's tax levy and imposes, instead, a revenue limit. Under the bill, with certain exceptions, a district board's revenue (defined as the sum of its tax levy for operations and the amount of property tax relief aid it receives) in the 2014-15 school year or any school year thereafter may not exceed its revenue in the previous school year increased by the district's valuation factor, which is the percentage change in the district's equalized value due to new construction, less improvements removed.

*** ANALYSIS FROM -4026/2 ***

Under current law, for income tax purposes, under certain circumstances, a taxpayer may claim a Wisconsin net operating loss against Wisconsin taxable income of the two years preceding the year in which the taxpayer sustained the loss. This bill clarifies that a taxpayer need not make an offset against Wisconsin modified taxable income of the two years preceding the loss, if the taxpayer chooses not to carry back the net operating loss to the two years preceding the loss.

Under current law, a person may claim the jobs tax credit if the Wisconsin Economic Development Corporation certifies the person to receive the tax credit, the person increases net employment in the person's business, and the person provides certain wages or job training to its full-time employees. This bill specifies that to be eligible for the jobs tax credit a person must increase net employment in the person's business in this state. Therefore, under the bill, a person may qualify for the jobs tax credit by relocating existing jobs to this state even if the number of individuals the person's business employs nationwide does not increase. Similarly, under the bill, a person does not qualify for the jobs tax credit by increasing the number of individuals the person's business employs nationwide if the number of individuals the person's business employs in this state does not increase.

Under current law, for income and franchise tax purposes, a taxpayer may not claim a relocated business deduction or tax credit for taxable years beginning after December 31, 2013. Under this bill, a taxpayer who is first eligible to claim a relocated business deduction or tax credit for a taxable year beginning after December 31, 2012, and before January 1, 2014, may claim the deduction or credit in the following taxable year.

The bill also provides that the manufacturing and agriculture credit, the research credit, and the state historic rehabilitation credit may be claimed against the alternative minimum tax.

Finally, the bill makes technical changes to the electronic medical records tax credit and to the sales and use tax exemption for tangible personal property used in commercial printing.

NET OPERATING LOSSES

TAX CREDITS

INS
4025
A

***** ANALYSIS FROM -4035/P1 *****

For further information see the *state and local* 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:

1 *-4025/3.1*SECTION 1. 20.292 (1) (dp) of the statutes is created to read:

2 20.292 (1) (dp) *Property tax relief aid*. A sum sufficient equal to the amount
3 necessary to distribute the property tax relief aid to technical college districts under
4 s. 38.16 (4).

5 *-3988/P3.1*SECTION 2. 20.445 (1) (b) of the statutes, as created by 2013
6 Wisconsin Act 9, is amended to read:

7 20.445 (1) (b) *Workforce training program; grants and services*. As a continuing
8 appropriation, the amounts in the schedule for workforce training grants and
9 services under s. 106.27 (1) and (1g).

10 *-4025/3.2*SECTION 3. 38.16 (title) of the statutes is amended to read:

11 **38.16 (title) District tax levy; revenue limit; property tax relief aid.**

12 *-4025/3.3*SECTION 4. 38.16 (3) (a) 1m. of the statutes is created to read:

13 38.16 (3) (a) 1m. "Equalized value" excludes the value of tax incremental
14 districts.

15 *-4025/3.4*SECTION 5. 38.16 (3) (a) 2. of the statutes, as affected by 2013
16 Wisconsin Act 20, is amended to read:

17 38.16 (3) (a) 2. "Excess levy revenue" means the amount by which a district
18 board's tax levy revenue exceeds the limit under this subsection.

19 *-4025/3.5*SECTION 6. 38.16 (3) (a) 2w. of the statutes is created to read:

1 38.16 (3) (a) 2w. "Revenue" means the sum of the tax levy and property tax
2 relief aid under sub. (4).

3 *~~4025/3.6~~SECTION 7. 38.16 (3) (b) of the statutes is repealed.

4 *~~4025/3.7~~SECTION 8. 38.16 (3) (be) of the statutes, as created by 2013
5 Wisconsin Act 20, is amended to read:

6 38.16 (3) (be) Notwithstanding sub. (1), no district board may increase its ~~tax~~
7 levy revenue in ~~2013~~ the 2014-15 school year or in any school year thereafter by a
8 percentage that exceeds the district's valuation factor, except as provided in pars.
9 (bg) and (br).

10 *~~4025/3.8~~SECTION 9. 38.16 (3) (bg) 2. of the statutes, as created by 2013
11 Wisconsin Act 20, is amended to read:

12 38.16 (3) (bg) 2. If a district board's allowable levy revenue under this
13 subsection in ~~2013~~ the 2014-15 school year, or any school year thereafter, is greater
14 than its actual levy revenue in that school year, the limit otherwise applicable to the
15 district board under this subsection in the succeeding school year is increased by the
16 difference between the prior school year's allowable levy revenue and the prior school
17 year's actual levy revenue, as determined by the department of revenue, up to a
18 maximum increase of 0.5 percent of the actual levy revenue in that prior school year,
19 if the district board approves the increase by a three-fourths vote.

20 *~~4025/3.9~~SECTION 10. 38.16 (3) (br) 1. of the statutes, as affected by 2013
21 Wisconsin Act 20, is amended to read:

22 38.16 (3) (br) 1. If a district board wishes to exceed the limit otherwise
23 applicable to the district under this subsection, it shall adopt a resolution supporting
24 inclusion in the final district budget of an amount equal to the proposed excess levy
25 revenue. The resolution shall be filed as provided in s. 8.37. Within 10 days after

1 adopting the resolution, the district board shall notify the board of the scheduled date
2 of the referendum and submit a copy of the resolution to the board. The district board
3 shall call a special referendum for the purpose of submitting the resolution to the
4 electors of the district for approval or rejection. In lieu of a special referendum, the
5 district board may specify that the referendum be held at the next succeeding spring
6 primary or election or partisan primary or general election, if such election is to be
7 held not sooner than 70 days after the filing of the resolution of the district board.
8 The district board shall certify the results of the referendum to the board within 10
9 days after the referendum is held.

10 *~~4025/3.10~~*SECTION 11. 38.16 (3) (br) 2. of the statutes is amended to read:

11 38.16 (3) (br) 2. The district board shall publish type A, B, C, D, and E notices
12 of the referendum under s. 10.01 (2). Notwithstanding s. 10.01 (2) (a), the type A
13 notice shall include a statement of the amount of the excess levy revenue specified
14 in subd. 1. and a copy of the resolution under subd. 1. Section 5.01 (1) applies in the
15 event of failure to comply with the notice requirements of this subdivision.

16 *~~4025/3.11~~*SECTION 12. 38.16 (3) (c) (intro.) of the statutes, as affected by
17 2013 Wisconsin Act 20, is amended to read:

18 38.16 (3) (c) (intro.) Except as provided in par. (d), if the board determines that
19 a district board ~~imposed an excess levy~~ exceeded its limit under this subsection, the
20 board shall do all of the following:

21 *~~4025/3.12~~*SECTION 13. 38.16 (3) (c) 1. of the statutes is amended to read:

22 38.16 (3) (c) 1. Reduce the amount of state aid payments to the district board
23 in the school year in which the district board ~~imposed the excess levy~~ exceeded its
24 limit by an amount equal to the amount of the excess levy revenue.

1 ***-4025/3.13***SECTION 14. 38.16 (3) (c) 3. of the statutes, as affected by 2013
2 Wisconsin Act 20, is amended to read:

3 38.16 (3) (c) 3. Ensure that the amount of the excess levy revenue is not
4 included in determining the limit under this subsection for the district board for the
5 following year.

6 ***-4025/3.14***SECTION 15. 38.16 (3) (c) 4. of the statutes is amended to read:

7 38.16 (3) (c) 4. Ensure that, if a district board's excess levy revenue exceeds the
8 amount of state aid that may be reduced under subd. 1., the excess amount is
9 subtracted from state aid payments in the following years until the total amount of
10 the excess levy revenue is subtracted from the state aid payments.

11 ***-4025/3.15***SECTION 16. 38.16 (3) (d) of the statutes is amended to read:

12 38.16 (3) (d) The department may issue a finding that a district board is not
13 liable for a penalty that would otherwise be imposed under par. (c) if the department
14 determines that the district board's excess levy revenue is caused by one of the
15 following clerical errors:

16 1. The department, through mistake or inadvertence, has assessed to any
17 county or taxation district, in the current year or in the previous year, a greater or
18 lesser valuation for any year than should have been assessed, causing the district
19 board's levy to be erroneous in a way that directly causes an excess levy revenue.

20 2. A taxation district clerk or a county clerk, through mistake or inadvertence
21 in preparing or delivering the tax roll, causes a district board's levy to be erroneous
22 in a way that directly causes an excess levy revenue.

23 ***-4025/3.16***SECTION 17. 38.16 (4) of the statutes is created to read:

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24 38.16 (4) The board shall distribute to each district board, from the
25 appropriation under s. 20.292 (1) (dp), the amount determined as follows:

SECTION 17

1 (a) In the 2014-15 school year, divide the district's equalized value as of
2 January 1, 2014, by the total equalized value of all districts as of January 1, 2014,
3 and multiply the quotient by \$406,000,000.

4 (b) In the 2015-16 school year and annually thereafter, the amount determined
5 under par. (a).

6 *-4026/2.1*SECTION 18. 71.05 (6) (b) 47. am. of the statutes, as affected by 2013
Wisconsin Act 20, is amended to read:

7
8 71.05 (6) (b) 47. am. For taxable years beginning after December 31, 2010, and
9 before January 1, 2014, for 2 consecutive taxable years beginning with the taxable
10 year in which the claimant's business locates to this state from another state or
11 another country and begins doing business in this state, as defined in s. 71.22 (1r),
12 and subject to the limitations provided under subd. 47. d., dm., and e., the profit or
13 loss from a trade or business as reported on federal income tax return schedules C
14 and F or their equivalents, plus ordinary gain or loss on the sale of business assets,
15 as determined under s. 71.01 (6), but not less than zero, multiplied by the
16 apportionment fraction determined in s. 71.04 (4) and subject to s. 71.04 (7).

17 *-4026/2.2*SECTION 19. 71.05 (6) (b) 47. b. of the statutes, as affected by 2013
18 Wisconsin Act 20, is amended to read:

19 71.05 (6) (b) 47. b. With respect to partners and members of limited liability
20 companies, for taxable years beginning after December 31, 2010, and before January
21 1, 2014, for 2 consecutive taxable years beginning with the taxable year in which the
22 partnership's or limited liability company's business locates to this state from
23 another state or another country and begins doing business in this state, as defined
24 in s. 71.22 (1r), and subject to the limitations provided under subd. 47. d., dm., and
25 e., the partner's or member's distributive share of taxable income as calculated under

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1 section 703 of the Internal Revenue Code; plus the items of income and gain under
2 section 702 of the Internal Revenue Code, including taxable state and municipal
3 bond interest and excluding nontaxable interest income or dividend income from
4 federal government obligations; minus the items of loss and deduction under section
5 ~~756702~~ 702 of the Internal Revenue Code, except items that are not deductible under
6 s. 71.21; plus guaranteed payments to partners under section 707 (c) of the Internal
7 Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de), (2di), (2dj), (2dL),
8 (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s), (3t),
9 (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), and (8r); and plus or minus, as
10 appropriate, transitional adjustments, depreciation differences, and basis
11 differences under s. 71.05 (13), (15), (16), (17), and (19), multiplied by the
12 apportionment fraction determined in s. 71.04 (4) and subject to s. 71.04 (7) or by
13 separate accounting. No amounts subtracted under this subd. 47. b. may be included
14 in the modification under par. (b) 9. or 9m.

15 *~~4026/2.3~~**SECTION 20.** 71.05 (6) (b) 47. c. of the statutes, as affected by 2013
16 Wisconsin Act 20, is amended to read:

17 71.05 (6) (b) 47. c. With respect to shareholders of a tax-option corporation, for
18 taxable years beginning after December 31, 2010, and before January 1, 2014, for 2
19 consecutive taxable years beginning with the taxable year in which the tax-option
20 corporation's business locates to this state from another state or another country and
21 begins doing business in this state, as defined in s. 71.22 (1r), and subject to the
22 limitations provided under subd. 47. d., dm., and e., the shareholder's distributive
23 share of the entity's net income or loss as determined under this chapter, including
24 interest income from federal, state, and municipal government obligations,
25 multiplied by the apportionment fraction determined in s. 71.25 (6m) and subject to

1 s. 71.25 (9) or by separate accounting. No amounts subtracted under this subdivision
2 may be included in the modification under par. (b) 9. or 9m.

3 ***-4026/2.4*SECTION 21.** 71.05 (6) (b) 47. dm. of the statutes is created to read:
4 71.05 (6) (b) 47. dm. No person may claim a deduction under this subdivision
5 for taxable years beginning after December 31, 2013, except that a claimant who is
6 first eligible to claim a deduction under this subdivision for a taxable year beginning
7 after December 31, 2012, and before January 1, 2014, may claim the deduction the
8 following taxable year.

9 ***-4026/2.5*SECTION 22.** 71.05 (8) (b) of the statutes, as affected by 2013
10 Wisconsin Act 20, is renumbered 71.05 (8) (b) 1.

11 ***-4026/2.6*SECTION 23.** 71.05 (8) (b) 2. of the statutes is created to read:
12 71.05 (8) (b) 2. The taxpayer need not make the offset against Wisconsin
13 modified taxable income of the 2 years preceding the loss, as provided under subd.
14 1., if the taxpayer chooses not to carry back the net operating loss to the 2 years
15 preceding the loss.

16 ***-4026/2.7*SECTION 24.** 71.05 (8) (c) of the statutes is created to read:
17 71.05 (8) (c) The department shall not pay interest on any overpayment that
18 results from the carry-back of a net operating loss.

19 ***-4017/2.1*SECTION 25.** 71.06 (1q) (a) of the statutes, as created by 2013
20 Wisconsin Act 20, is amended to read:

21 71.06 (1q) (a) On all taxable income from \$0 to \$7,500, 4.40 percent, except that
22 for taxable years beginning after December 31, 2013, 4.0 percent.

23 ***-4017/2.2*SECTION 26.** 71.06 (2) (i) 1. of the statutes, as created by 2013
24 Wisconsin Act 20, is amended to read:

1 71.06 (2) (i) 1. On all taxable income from \$0 to \$10,000, 4.40 percent, except
2 that for taxable years beginning after December 31, 2013, 4.0 percent.

3 *~~4017/2.3~~**SECTION 27.** 71.06 (2) (j) 1. of the statutes, as created by 2013
4 Wisconsin Act 20, is amended to read:

5 71.06 (2) (j) 1. On all taxable income from \$0 to \$5,000, 4.40 percent, except that
6 for taxable years beginning after December 31, 2013, 4.0 percent.

7 *~~4026/2.8~~**SECTION 28.** 71.07 (4k) (b) 1. of the statutes, as created by 2013
8 Wisconsin Act 20, is amended to read:

9 71.07 (4k) (b) 1. Subject to the limitations provided in this subsection, and
10 except as provided in subs. 2. and 3., for taxable years beginning after December
11 31, 2012, an individual, a partner of a partnership, a shareholder of a tax-option
12 corporation, or a member of a limited liability company may claim a credit against
13 the tax imposed under s. 71.02 or 71.08, as allocated under par. (d), an amount equal
14 to 5 percent of the amount obtained by subtracting from the individual's,
15 partnership's, tax-option corporation's, or limited liability company's qualified
16 research expenses, as defined in section 41 of the Internal Revenue Code, except that
17 "qualified research expenses" includes only expenses incurred by the individual,
18 partnership, tax-option corporation, or the limited liability company, incurred for
19 research conducted in this state for the taxable year, except that a taxpayer may elect
20 the alternative computation under section 41 (c) (4) of the Internal Revenue Code
21 and that election applies until the department permits its revocation, except as
22 provided in par. (c), and except that "qualified research expenses" does not include
23 compensation used in computing the credit under subs. (2dj) and (2dx), the entity's
24 base amount, as defined in section 41 (c) of the Internal Revenue Code, except that
25 gross receipts used in calculating the base amount means gross receipts from sales

1 attributable to Wisconsin under ss. 71.04 (7) (b) 1. and 2., (df), (dh), (dj), and (dk).
2 Section 41 (h) of the Internal Revenue Code does not apply to the credit under this
3 subdivision.

4 ***-4026/2.9*SECTION 29.** 71.07 (5i) (c) 3. of the statutes is created to read:

5 71.07 (5i) (c) 3. No credit may be claimed under this subsection based on an
6 amount paid under par. (b) after December 31, 2013.

7 ***-4026/2.10*SECTION 30.** 71.07 (5m) (a) 4. of the statutes is amended to read:

8 71.07 (5m) (a) 4. "Net tax liability" means a claimant's income tax liability after
9 he or she completes the computations listed in s. 71.10 (4) (a) to ~~(dr)~~ (d).

10 ***-4026/2.11*SECTION 31.** 71.07 (5n) (b) (intro.) of the statutes is amended to
11 read:

12 71.07 (5n) (b) *Filing claims.* (intro.) Subject to the limitations provided in this
13 subsection, a claimant may claim as a credit against the tax imposed under ~~s.~~ ss.
14 71.02 and 71.08, up to the amount of the tax, an amount equal to one of the following
15 percentages of the claimant's eligible qualified production activities income in the
16 taxable year:

17 ***-4026/2.12*SECTION 32.** 71.07 (9r) (a) of the statutes is amended to read:

18 71.07 (9r) (a) For taxable years beginning on or after August 1, 1988, any
19 natural person may credit against taxes otherwise due under s. 71.02 or 71.08 an
20 amount equal to 25% of the costs of preservation or rehabilitation of historic property
21 located in this state, including architectural fees and costs incurred in preparing
22 nomination forms for listing in the national register of historic places in Wisconsin
23 or the state register of historic places, if the nomination is made within 5 years prior
24 to submission of a preservation or rehabilitation plan under par. (b) 3. b., and if the
25 physical work of construction or destruction in preparation for construction begins

1 after December 31, 1988, except that the credit may not exceed \$10,000, or \$5,000
2 for married persons filing separately, for any preservation or rehabilitation project.

3 ***-4026/2.13*SECTION 33.** 71.08 (1) (intro.) of the statutes, as affected by 2013
4 Wisconsin Act 62, is amended to read:

5 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married
6 couple filing jointly, trust, or estate under s. 71.02, not considering the credits under
7 ss. 71.07 (1), (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2dy), (3m), (3n), (3p),
8 (3q), (3r), (3rm), (3rn), (3s), (3t), (3w), (5b), (5d), (5e), (5f), (5h), (5i), (5j), (5n), (6), (6e),
9 (8r), (9e), and (9m), 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1dy), (2m), (3),
10 (3n), (3t), and (3w), 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1dy), (2m), (3),
11 (3n), (3t), and (3w), 71.57 to 71.61, and 71.613 and subch. VIII and payments to other
12 states under s. 71.07 (7), is less than the tax under this section, there is imposed on
13 that natural person, married couple filing jointly, trust or estate, instead of the tax
14 under s. 71.02, an alternative minimum tax computed as follows:

15 ***-4026/2.14*SECTION 34.** 71.08 (1) (intro.) of the statutes, as affected by 2013
16 Wisconsin Acts 62 and (this act), is amended to read:

17 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married
18 couple filing jointly, trust, or estate under s. 71.02, not considering the credits under
19 ss. 71.07 (1), (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2dy), (3m), (3n), (3p),
20 (3q), (3r), (3rm), (3rn), (3s), (3t), (3w), (4k), (5b), (5d), (5e), (5f), (5h), (5i), (5j), (5n), (6),
21 (6e), (8r), (9e), ~~and~~ (9m), and (9r), 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx),
22 (1dy), (2m), (3), (3n), (3t), and (3w), 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx),
23 (1dy), (2m), (3), (3n), (3t), and (3w), 71.57 to 71.61, and 71.613 and subch. VIII and
24 payments to other states under s. 71.07 (7), is less than the tax under this section,

1 there is imposed on that natural person, married couple filing jointly, trust or estate,
2 instead of the tax under s. 71.02, an alternative minimum tax computed as follows:

3 ***-4026/2.15*SECTION 35.** 71.10 (4) (cr) of the statutes is renumbered 71.10 (4)
4 (fn).

5 ***-4026/2.16*SECTION 36.** 71.10 (4) (dr) of the statutes is renumbered 71.10 (4)
6 (fp).

7 ***-4026/2.17*SECTION 37.** 71.10 (4) (er) of the statutes, as created by 2013
8 Wisconsin Act 20, is renumbered 71.10 (4) (fr).

9 ***-4026/2.18*SECTION 38.** 71.28 (5i) (c) 3. of the statutes is created to read:
10 71.28 (5i) (c) 3. No credit may be claimed under this subsection based on an
11 amount paid under par. (b) after December 31, 2013.

12 ***-4026/2.19*SECTION 39.** 71.28 (9s) (d) 3. of the statutes, as created by 2013
13 Wisconsin Act 20, is amended to read:

14 71.28 (9s) (d) 3. No credit may be claimed under this subsection for taxable
15 years beginning after December 31, 2013. ~~Credits under this subsection for taxable~~
16 ~~years that begin before January 1, 2014, may be carried forward to taxable years that~~
17 ~~begin after December 31, 2013, except that a claimant who is first eligible to claim~~
18 a credit under this subsection for taxable years beginning after December 31, 2012,
19 and before January 1, 2014, may claim the credit in the following taxable year.

20 ***-4026/2.20*SECTION 40.** 71.47 (5i) (c) 3. of the statutes is created to read:

21 71.47 (5i) (c) 3. No credit may be claimed under this subsection based on an
22 amount paid under par. (b) after December 31, 2013.

23 ***-4026/2.21*SECTION 41.** 71.47 (9s) (d) 3. of the statutes, as created by 2013
24 Wisconsin Act 20, is amended to read:

1 71.47 (9s) (d) 3. No credit may be claimed under this subsection for taxable
2 years beginning after December 31, 2013. ~~Credits under this subsection for taxable~~
3 ~~years that begin before January 1, 2014, may be carried forward to taxable years that~~
4 ~~begin after December 31, 2013, except that a claimant who is first eligible to claim~~
5 a credit under this subsection for taxable years beginning after December 31, 2012,
6 and before January 1, 2014, may claim the credit in the following taxable year.

7 *-4026/2.22*SECTION 42. 71.52 (6) of the statutes is amended to read:

8 71.52 (6) "Income" means the sum of Wisconsin adjusted gross income and the
9 following amounts, to the extent not included in Wisconsin adjusted gross income:
10 maintenance payments (except foster care maintenance and supplementary
11 payments excludable under section 131 of the internal revenue code), support money,
12 cash public assistance (not including credit granted under this subchapter and
13 amounts under s. 46.27), cash benefits paid by counties under s. 59.53 (21), the gross
14 amount of any pension or annuity (including railroad retirement benefits, all
15 payments received under the federal social security act and veterans disability
16 pensions), nontaxable interest received from the federal government or any of its
17 instrumentalities, nontaxable interest received on state or municipal bonds,
18 worker's compensation, unemployment insurance, the gross amount of "loss of time"
19 insurance, compensation and other cash benefits received from the United States for
20 past or present service in the armed forces, scholarship and fellowship gifts or
21 income, capital gains, gain on the sale of a personal residence excluded under section
22 121 of the internal revenue code, dividends, income of a nonresident or part-year
23 resident who is married to a full-year resident, housing allowances provided to
24 members of the clergy, the amount by which a resident manager's rent is reduced,
25 nontaxable income of an American Indian, nontaxable income from sources outside

1 this state and nontaxable deferred compensation. Intangible drilling costs,
2 depletion allowances and depreciation, including first-year depreciation allowances
3 under section 179 of the internal revenue code, amortization, contributions to
4 individual retirement accounts under section 219 of the internal revenue code,
5 contributions to Keogh plans, net operating loss carry-backs and carry-forwards
6 and capital loss carry-forwards deducted in determining Wisconsin adjusted gross
7 income shall be added to "income". "Income" does not include gifts from natural
8 persons, cash reimbursement payments made under title XX of the federal social
9 security act, surplus food or other relief in kind supplied by a governmental agency,
10 the gain on the sale of a personal residence deferred under section 1034 of the
11 internal revenue code or nonrecognized gain from involuntary conversions under
12 section 1033 of the internal revenue code. Amounts not included in adjusted gross
13 income but added to "income" under this subsection in a previous year and repaid
14 may be subtracted from income for the year during which they are repaid.
15 Scholarship and fellowship gifts or income that are included in Wisconsin adjusted
16 gross income and that were added to household income for purposes of determining
17 the credit under this subchapter in a previous year may be subtracted from income
18 for the current year in determining the credit under this subchapter. A marital
19 property agreement or unilateral statement under ch. 766 has no effect in computing
20 "income" for a person whose homestead is not the same as the homestead of that
21 person's spouse.

22 *~~4026/2.23~~*SECTION 43. 77.54 (61) (intro.), (a) and (b) of the statutes, as
23 created by 2013 Wisconsin Act 20, are amended to read:

24 77.54 (61) (intro.) The sales price from the sale of and the storage, use, or other
25 consumption of the following by a person primarily engaged, as determined by the

1 ~~department, in commercial printing, not including screen printing or book printing,~~
2 ~~without publishing, except for gray goods; printing, or printing and binding, books~~
3 ~~or pamphlets without publishing the books or pamphlets; or performing prepress~~
4 ~~and postpress services in support of printing activities~~ book printing, or support
5 activities for printing described under 323111, 323117, and 323120 of the North
6 American Industry Classification System:

7 (a) Computers and servers ~~that are used~~ primarily to store copies of the product
8 that are sent to a digital printer, a platemaking machine, or a printing press or used
9 primarily in prepress or postpress activities.

10 (b) Tangible personal property purchased from out-of-state sellers that are
11 temporarily stored, remain idle, and not used in this state ~~for not more than 180 days~~
12 and that are then delivered and used solely outside of this state.

13 ~~*-4026/2.24*~~SECTION 44. 77.54 (61) (c) of the statutes is created to read:

14 77.54 (61) (c) In this subsection:

15 1. "Postpress activities" include paper bronzing, die-cutting, edging,
16 embossing, folding, gilding, gluing, and indexing.

17 2. "Prepress activities" include making print-ready plates, typesetting, trade
18 binding, and sample mounting.

19 3. "Temporarily" means not more than 180 days.

20 ~~*-3988/P3.2*~~SECTION 45. 106.27 (1g) of the statutes is created to read:

21 ~~106.27 (1g) WORKFORCE TRAINING PROGRAM; EXPANDED PURPOSES. Of the amounts~~
22 ~~appropriated under s. 20.445 (1) (b) in the 2013-15 fiscal biennium, the department~~
23 ~~shall allocate \$35,400,000 for all of the following:~~

24 (a) Grants to technical colleges for the reduction of waiting lists for enrollment
25 in programs and courses in high-demand fields, as determined by the department.

1 (b) Grants for collaborative projects among school districts, technical colleges,
2 and businesses to provide high school pupils with industry-recognized certifications
3 in high-demand fields, as determined by the department.

4 (c) Grants to public and private organizations or services provided by the
5 department to enhance employment opportunities for persons with disabilities.

6 (d) If the department determines that the full amount of the allocation under
7 this subsection will not be needed for grants and services under pars. (a) to (c), grants
8 under sub. (1).

9 ~~*-3988/P3.3*SECTION 46. 106.27 (2g) (a) 1. of the statutes, as created by 2013~~
10 ~~Wisconsin Act 9, is amended to read:~~

11 ~~106.27 (2g) (a) 1. Promulgate rules prescribing procedures and criteria for~~
12 ~~awarding grants under sub. (1) and the information with respect to those grants that~~
13 ~~must be contained in the reports required under subd. 3.~~

14 ~~*-3988/P3.4*SECTION 47. 106.27 (2g) (a) 2. of the statutes, as created by 2013~~
15 ~~Wisconsin Act 9, is amended to read:~~

16 ~~106.27 (2g) (a) 2. Receive and review applications for grants under sub. subs.~~
17 ~~(1) and (1g) and prescribe the form, nature, and extent of the information that must~~
18 ~~be contained in an application for a grant under sub. (1) or (1g).~~

19 ~~*-3988/P3.5*SECTION 48. 106.27 (2g) (a) 3. of the statutes, as created by 2013~~
20 ~~Wisconsin Act 9, is amended to read:~~

21 ~~106.27 (2g) (a) 3. Require reports from grant recipients describing how the~~
22 ~~grant moneys received by a grant recipient were expended and the outcomes~~
23 ~~achieved as a result of the training program, waiting-list reduction activities,~~
24 ~~certification program, or employment enhancement activities implemented by the~~
25 ~~grant recipient.~~

1 ***-3988/P3.6*SECTION 49.** 106.27 (3) of the statutes, as created by 2013
2 Wisconsin Act 9, is amended to read:

3 106.27 (3) ANNUAL REPORT. Annually, by December 31, the department shall
4 submit a report to the governor and the cochairpersons of the joint committee on
5 finance providing an account of the department's activities and expenditures under
6 this section during the preceding fiscal year. The report shall include information
7 on the number of unemployed and underemployed workers and incumbent
8 employees who participate in training programs under ~~this section~~ sub. (1); the
9 number of unemployed workers who obtain gainful employment, underemployed
10 workers who obtain new employment, and incumbent employees who receive
11 increased compensation after participating in such a training program; and the
12 wages earned by those workers and employees both before and after participating
13 in such a training program. The report shall also include information on the extent
14 to which waiting lists for enrollment in courses and programs provided by technical
15 colleges in high-demand fields are reduced as a result of grants under sub. (1g) (a),
16 on the number of high school pupils who participate in certification programs under
17 sub. (1g) (b), and on the number of persons with disabilities who participate in
18 employment enhancement activities under sub. (1g) (c).

19 ***-4026/2.25*SECTION 50.** 238.16 (3) (intro.) of the statutes, as affected by 2013
20 Wisconsin Act 20, is amended to read:

21 238.16 (3) ELIGIBILITY FOR TAX BENEFITS. (intro.) A person certified under sub.
22 (2) may receive tax benefits under this section if, in each year for which the person
23 claims tax benefits under this section, the person increases net employment in this
24 state in the person's business above the net employment in this state in the person's
25 business during the year before the person was certified under sub. (2), as

1 determined by the corporation under its policies and procedures, and one of the
2 following applies:

3 ***-3988/P3.9151*SECTION 9151. Nonstatutory provisions; Workforce**
4 **Development.**

5 ***-3988/P3.9151*(1)** WORKFORCE TRAINING GRANTS AND SERVICES.

6 Notwithstanding section 16.42 (1) (e) of the statutes, the department of workforce
7 development, in submitting information under section 16.42 of the statutes for
8 purposes of the 2015-17 biennial budget bill, shall submit information concerning
9 the appropriation under section 20.445 (1) (b) of the statutes, as affected by this act,
10 as though the increase in the dollar amount of that appropriation under SECTION
11 9251 (1) of this act had not been made.

12 ***-3988/P3.9224*SECTION 9224. Fiscal changes; Joint Committee on**
13 **Finance.**

14 ***-3988/P3.9224*(1)** WORKFORCE TRAINING GRANTS AND SERVICES. In the schedule
15 under section 20.005 (3) of the statutes for the appropriation to the joint committee
16 on finance under section 20.865 (4) (a) of the statutes, as affected by the acts of 2013,
17 the dollar amount is decreased by \$32,900,000 for the first fiscal year of the fiscal
18 biennium in which this subsection takes effect and by \$2,500,000 for the second fiscal
19 year of the fiscal biennium in which this subsection takes effect to decrease funding
20 for the purposes for which the appropriation is made.

21 ***-3988/P3.9251*SECTION 9251. Fiscal changes; Workforce Development.**

22 ***-3988/P3.9251*(1)** WORKFORCE TRAINING GRANTS AND SERVICES. In the schedule
23 under section 20.005 (3) of the statutes for the appropriation to the department of
24 workforce development under section 20.445 (1) (b) of the statutes, as affected by the
25 acts of 2013, the dollar amount is increased by \$32,900,000 for the first fiscal year

1 of the fiscal biennium in which this subsection takes effect and by \$2,500,000 for the
2 second fiscal year of the fiscal biennium in which this subsection takes effect for the
3 purpose of providing funding for grants and services under section 106.27 (1g) of the
4 statutes, as created by this act.

5 ***-4026/2.9337*SECTION 9337. Initial applicability; Revenue.**

6 ***-4026/2.9337*(1) COMMERCIAL PRINTING.** The treatment of section 77.54 (61)
7 (intro.), (a), (b), and (c) of the statutes first applies retroactively to sales made on
8 October 1, 2013.

9 ***-4026/2.9337*(2) RESEARCH AND REHABILITATION CREDITS.** The treatment of
10 sections 71.07 (4k) (b) 1., (5m) (a) 4., and (9r) (a), 71.08 (1) (intro.) (as it relates to the
11 state historic rehabilitation credit and the research credit), and 71.10 (4) (dr) and (er)
12 of the statutes first applies to taxable years beginning on January 1, 2014.

13 ***-4026/2.9337*(3) CARRY-BACKS.** The treatment of section 71.52 (6) of the
14 statutes, the renumbering of section 71.05 (8) (b) of the statutes, and the creation of
15 section 71.05 (8) (b) 2. of the statutes first apply to taxable years beginning on
16 January 1, 2014.

17 ***-4026/2.9337*(4) OVERPAYMENTS.** The treatment of section 71.05 (8) (c) of the
18 statutes first applies to refunds paid on January 1, 2014.

19 ***-4026/2.9337*(5) MANUFACTURING AND AGRICULTURE CREDITS.** The treatment
20 of sections 71.07 (5n) (b) (intro.), 71.08 (1) (intro.) (as it relates to the manufacturing
21 and agriculture credit), and 71.10 (4) (cr) of the statutes first applies retroactively
22 to taxable years beginning on January 1, 2013.

23 ***-4035/P1.9400*SECTION 9400. Effective dates; general.** Except as
24 otherwise provided in SECTIONS 9401 to 9452 of this act, this act takes effect on the
25 day after publication.

