

2013 DRAFTING REQUEST

Bill

Received: 10/12/2012 Received By: **fknepp**
Wanted: As time permits Same as LRB:
For: Administration-Budget 266-7597 By/Representing: **Ley**
May Contact: Drafter: **fknepp**
Subject: Econ. Development - tax incntves Addl. Drafters:
Extra Copies:

Submit via email: YES
Requester's email:
Carbon copy (CC) to: michael.gallagher@legis.wisconsin.gov
fern.knepp@legis.wisconsin.gov
rick.champagne@legis.wisconsin.gov

Pre Topic:

DOA:.....Ley, BB0151 -

Topic:

Tax benefits under the Jobs Tax Credit Program

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>
/?	fknepp 10/15/2012			_____			
/1	fknepp 12/18/2012	jdyer 10/17/2012	jmurphy 10/17/2012	_____	srose 10/17/2012		State
/2	fknepp	jdyer	rschluet	_____	sbasford		State

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	1/22/2013	12/19/2012	12/19/2012	_____	12/19/2012		
/3		jdye 1/23/2013	phenry 1/23/2013	_____	sbasford 1/23/2013		State

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State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-0366(?)

FFK: A:....

In 10-15-12

JLD RMR

DOA:.....Ley, BB0151 - Tax benefits under the Jobs Tax Credit Program

FOR 2013-2015 BUDGET - NOT READY FOR INTRODUCTION

PWF
Jan 10/17

X

don't gen ✓

1

AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau
COMMERCE AND ECONOMIC DEVELOPMENT ✓

ECONOMIC DEVELOPMENT ✓

* ✓

Under current law, WEDC may certify a person to claim the jobs tax credit if the person operates or intends to operate a business in Wisconsin, will increase its net employment in Wisconsin, and will pay certain annual wages to its full-time employees. A person who is certified for the jobs tax credit may receive per-employee tax benefits in an amount equal to 10 percent of the wages the person pays to full-time employees who earn certain annual wages. ✓

*

Under this bill, WEDC may award tax benefits to a person certified for the jobs tax credit in an amount that is up to 10 percent of the wages the person pays to full-time employees who earn certain annual wages. ✓

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:

2

SECTION 1. 238.16 (4) (b) 1. (intro.) of the statutes is amended to read: ✓

1 238.16 (4) (b) 1. (intro.) The corporation may award to a person certified under
2 sub. (2) tax benefits for each eligible employee in an amount ~~equal to~~ that does not ✓
3 exceed 10 percent of the wages paid by the person to that employee or \$10,000,
4 whichever is less, if that employee earned wages in the year for which the tax benefit
5 is claimed equal to one of the following:

6 **History:** 2009 a. 28, 265; 2011 a. 32 ss. 2864, 3357 to 3366; Stats. 2011 s. 238.16; 2011 a. 88.

(END)

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/?	fknepp	10/17 jcd	jm 10/17	jm 10/17			

FE Sent For:

<END>

Knepp, Fern

From: Hanaman, Cathlene
Sent: Monday, October 08, 2012 8:57 AM
To: Gallagher, Michael; Knepp, Fern
Subject: FW: Statutory Language Drafting Request

Categories: Economic Development

From: Emily.Ley@wisconsin.gov [mailto:Emily.Ley@wisconsin.gov]
Sent: Friday, October 05, 2012 1:56 PM
To: Hanaman, Cathlene
Cc: Frederick, Caitlin - DOA; Ley, Emily A - DOA; Thornton, Scott - DOA
Subject: Statutory Language Drafting Request

Biennial Budget: 2013-15

DOA Tracking Code: BB0151

Topic: Calibration of Tax Benefits under the Jobs Tax Credit Program

SBO Team: TLGED

SBO Analyst: Ley, Emily - DOA
Phone: 608-266-7597
E-mail: Emily.Ley@wisconsin.gov

Agency Acronym: WEDC

Agency Number: 192

Priority: Medium

Intent: Amend the statutes to restore the "up to" 10% language present in the original Jobs Tax Credit Program. The amendment provides WEDC the flexibility to customize tax benefit awards based upon the relative strength of projects.

Attachments: False

Please send completed drafts to statlanguage@wisapps.wi.gov

238.16(4)(b)1. (intro)

Knepp, Fern

From: Ley, Emily A - DOA <Emily.Ley@wisconsin.gov>
Sent: Tuesday, December 18, 2012 3:26 PM
To: Knepp, Fern
Subject: RE: Job tax credit drafts

Hi Fern,
BB0150 – yes

BB0151 – I agree with you- It means the same thing, and your language is clearer, but they want to exact pre-2011 Act 32 language. Please redraft.

BB0233 – I'll be in touch sometime in early/mid-January to set up a meeting. We are significantly behind on our briefing schedule so I'm not exactly sure when, but I'll let you know.

Thank you!
Emily

From: Knepp, Fern [<mailto:Fern.Knepp@legis.wisconsin.gov>]
Sent: Tuesday, December 18, 2012 3:14 PM
To: Ley, Emily A - DOA
Subject: RE: Job tax credit drafts

Emily,

Thanks for your email. I want to clarify that I understand a few things.

BB0150 – The intent is that the person is eligible for tax benefits so long as they increase their net employment over the year before they were certified. A simplistic example would be a person has 2 employees the year before they are certified, in year 1 they increase to 10 employees and would have a net increase of 8 employees, in year 2 they have 6 employees and would have a net increase of 6 employees. The person would be eligible for tax benefits in year 1 and year 2.

BB0151 – I think “that does not exceed 10 percent” and “in an amount equal to up to 10 percent” mean the same thing. I am happy to change it back if you think the exact wording is important.

BB0233 – I have no problem waiting until you have more specific instructions. Currently, I am planning on being out of the office from 12/24 until 1/2. I am free for a telephone conference pretty much anytime starting on 1/2.

In the meantime, I will proceed with a redraft of BB0150 and BB0151

Thanks,
Fern

From: Ley, Emily A - DOA [<mailto:Emily.Ley@wisconsin.gov>]
Sent: Tuesday, December 18, 2012 2:55 PM
To: Knepp, Fern
Subject: Job tax credit drafts

Hi Fern,
I hope things are going well for you this budget season.

I have finally had a chance to go through a few of your jobs tax credit stat language drafts and can respond to your notes.

BB0149, Calculation of jobs and enterprise zone tax credits: looks good.

BB0150, Clarifying an increase in employment under the jobs tax credit program:

1. The intent of this legislation is to clarify a net increase in employment over a base year, not a net increase every year. I've attached a slide from my briefing doc with more information. Let me know if you have additional questions on this.
2. Your repeal of s. 238.16(3)(am) is fine.

BB0151, Tax benefits under the Jobs Tax Credit Program:

The intent is to undo the 2011 Act 32 change (Section 3363m) and replace the 2009 language in s.

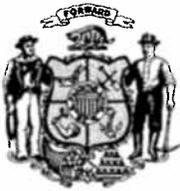
238.16(4)(b)1. "The corporation may award... in an amount **equal to up to 10 percent** of the wages paid..." (as opposed to an amount "that does not exceed 10 percent").

The big remaining issue is BB0233, Modify the jobs and economic development tax credit programs. We do not yet have a decision from the Governor on this one and, as you've noted, the instructions are unclear on a number of points. Maybe sometime after the holidays, we could arrange a phone call or meeting and walk through the proposal looking at the different drafting options and the interaction of the proposed changes with the other jobs tax credit drafts. I'm hesitant to spend a lot of time on this one until we have more definitive direction.

Thank you! Enjoy the snow.

Emily

Emily Ley
Executive Policy & Budget Analyst
Department of Administration
Division of Executive Budget and Finance
(608)-266-7597
emily.ley@wisconsin.gov



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-0366/1
FFK:jld

1/2
RMK

In 12-17-12

DOA:.....Ley, BB0151 – Tax benefits under the Jobs Tax Credit Program

FOR 2013-2015 BUDGET – NOT READY FOR INTRODUCTION

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AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau
COMMERCE AND ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT

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Under this bill, WEDC may award tax benefits to a person certified for the jobs tax credit in an amount that is up to 10 percent of the wages the person pays to full-time employees who earn certain annual wages.

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:

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In 1-22-13

DOA:.....Ley, BB0151 – Tax benefits under the Jobs Tax Credit Program

FOR 2013-2015 BUDGET – NOT READY FOR INTRODUCTION

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4 employee earned wages in the year for which the tax benefit is claimed equal to one
5 of the following:

6

(END)

INS 2-5 ✓

INS 2-5

SECTION 9350. Initial applicability; Wisconsin Economic Development

* Corporation

(1) JOBS TAX CREDIT PROGRAM; AMOUNT OF TAX BENEFITS. The treatment of section

* 238.16 (4) (b) 1. of the statutes first applies to taxable years beginning on January 1, 2013.

END INS 2-5



DOA:.....Ley, BB0151 – Tax benefits under the Jobs Tax Credit Program

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