

**January 2014 Special Session Senate Bill 1 (LRB -4066)**

An Act to repeal 38.16 (3) (b); to renumber 71.05 (8) (b), 71.10 (4) (cr), 71.10 (4) (dr) and 71.10 (4) (er); to amend 38.16 (title), 38.16 (3) (a) 2., 38.16 (3) (be), 38.16 (3) (bg) 2., 38.16 (3) (br) 1., 38.16 (3) (br) 2., 38.16 (3) (c) (intro.), 38.16 (3) (c) 1., 38.16 (3) (c) 3., 38.16 (3) (c) 4., 38.16 (3) (d), 71.05 (6) (b) 47. am., 71.05 (6) (b) 47. b., 71.05 (6) (b) 47. c., 71.06 (1q) (a), 71.06 (2) (i) 1., 71.06 (2) (j) 1., 71.07 (4k) (b) 1., 71.07 (5m) (a) 4., 71.07 (5n) (b) (intro.), 71.07 (9r) (a), 71.08 (1) (intro.), 71.08 (1) (intro.), 71.28 (9s) (d) 3., 71.47 (9s) (d) 3., 71.52 (6), 77.54 (61) (intro.), (a) and (b) and 238.16 (3) (intro.); and to create 20.292 (1) (dp), 38.16 (3) (a) 1m., 38.16 (3) (a) 2w., 38.16 (4), 71.05 (6) (b) 47. dm., 71.05 (8) (b) 2., 71.05 (8) (c), 71.07 (5i) (c) 3., 71.28 (5i) (c) 3., 71.47 (5i) (c) 3. and 77.54 (61) (c) of the statutes; relating to: reducing the lowest individual income tax rate; providing technical college property tax relief aid; establishing a technical college district revenue limit; the carry-back of net operating losses; the sales and use tax exemption for commercial printing; the jobs tax credit; the electronic medical records credit; the manufacturing and agriculture credit; the research credit; the state historic rehabilitation credit; the relocated business credit; and making an appropriation. (FE)

**2014**

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01-31.	S.	Fiscal estimate received	
01-31.	S.	Fiscal estimate received	
02-10.	S.	Fiscal estimate received	
02-19.	S.	Public hearing held	
02-19.	S.	Executive action taken	
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03-04.	S.	Senate Amendment 2 laid on table, Ayes 17, Noes 15 .....	730
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03-04.	S.	Ordered to a third reading .....	730
03-04.	S.	Rules suspended .....	730
03-04.	S.	Read a third time and <b>passed</b> , Ayes 17, Noes 15 .....	730
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03-06.	A.	Referred to calendar of 3-18-2014 pursuant to Assembly Rule 93 .....	725
03-18.	A.	<b>LRB correction</b> (Senate Amendment 1)	
03-18.	A.	Read a second time	
03-18.	A.	Assembly Substitute Amendment 1 offered by Representatives Barca, Pasch, Mason, Jorgensen, Zamarripa and Hulsey ( <b>LRB s0395</b> )	
03-18.	A.	Assembly Substitute Amendment 1 laid on table, Ayes 58, Noes 38	
03-18.	A.	Ordered to a third reading	
03-18.	A.	Rules suspended	
03-18.	A.	Read a third time and <b>concurred in</b> , Ayes 61, Noes 35	
03-18.	A.	Ordered immediately messaged	
03-19.	S.	Received from Assembly concurred in	

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2013

JAN 2014 SPECIAL SESSION

ENROLLED BILL

13en SB-1

ADOPTED DOCUMENTS:

Orig     Engr           SubAmdt       

13-406611

Amendments to above (if none, write "NONE"): SA1 — 21894/1

Corrections - show date (if none, write "NONE"): MARCH 18, 2014

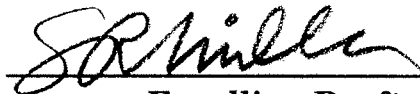
(TO THE AMD.)

Topic .

reducing the lowest individual income tax rate; technical college property tax relief aid; technical college district revenue limit; carry-back of net operating losses; sales and use tax exemption for commercial printing; various tax credits

3-20-2014

Date



Enrolling Drafter



State of Wisconsin  
2013 - 2014 LEGISLATURE  
January 2014 Special Session



LRB-4066/1  
PG/MES/JK:all:jm

## SENATE BILL 1

January 30, 2014 - Introduced by COMMITTEE ON SENATE ORGANIZATION, by request of Governor Scott Walker. Referred to Joint Committee on Finance.

1     **AN ACT** *to repeal* 38.16 (3) (b); *to renumber* 71.05 (8) (b), 71.10 (4) (cr), 71.10  
2     (4) (dr) and 71.10 (4) (er); *to amend* 38.16 (title), 38.16 (3) (a) 2., 38.16 (3) (be),  
3     38.16 (3) (bg) 2., 38.16 (3) (br) 1., 38.16 (3) (br) 2., 38.16 (3) (c) (intro.), 38.16 (3)  
4     (c) 1., 38.16 (3) (c) 3., 38.16 (3) (c) 4., 38.16 (3) (d), 71.05 (6) (b) 47. am., 71.05 (6)  
5     (b) 47. b., 71.05 (6) (b) 47. c., 71.06 (1q) (a), 71.06 (2) (i) 1., 71.06 (2) (j) 1., 71.07  
6     (4k) (b) 1., 71.07 (5m) (a) 4., 71.07 (5n) (b) (intro.), 71.07 (9r) (a), 71.08 (1) (intro.),  
7     71.08 (1) (intro.), 71.28 (9s) (d) 3., 71.47 (9s) (d) 3., 71.52 (6), 77.54 (61) (intro.),  
8     (a) and (b) and 238.16 (3) (intro.); and *to create* 20.292 (1) (dp), 38.16 (3) (a) 1m.,  
9     38.16 (3) (a) 2w., 38.16 (4), 71.05 (6) (b) 47. dm., 71.05 (8) (b) 2., 71.05 (8) (c),  
10    71.07 (5i) (c) 3., 71.28 (5i) (c) 3., 71.47 (5i) (c) 3. and 77.54 (61) (c) of the statutes;  
11    **relating to:** reducing the lowest individual income tax rate; providing  
12    technical college property tax relief aid; establishing a technical college district  
13    revenue limit; the carry-back of net operating losses; the sales and use tax  
14    exemption for commercial printing; the jobs tax credit; the electronic medical

- 1 records credit; the manufacturing and agriculture credit; the research credit;
- 2 the state historic rehabilitation credit; the relocated business credit; and
- 3 making an appropriation.

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***Analysis by the Legislative Reference Bureau***

**INDIVIDUAL INCOME TAX RATES**

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.

**TECHNICAL COLLEGE SYSTEM**

This bill provides property tax relief aid to technical college districts, distributed annually to each district on the basis of its equalized value as compared to the equalized value of all technical college districts as of January 2014. The first distribution is in February 2015.

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.

**NET OPERATING LOSSES**

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.

## **TAX CREDITS**

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.

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

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

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           **SECTION 2.** 38.16 (title) of the statutes is amended to read:

6           **38.16 (title) District tax levy; revenue limit; property tax relief aid.**

7           **SECTION 3.** 38.16 (3) (a) 1m. of the statutes is created to read:

1           38.16 (3) (a) 1m. “Equalized value” excludes the value of tax incremental  
2 districts.

3           **SECTION 4.** 38.16 (3) (a) 2. of the statutes, as affected by 2013 Wisconsin Act 20,  
4 is amended to read:

5           38.16 (3) (a) 2. “Excess levy revenue” means the amount by which a district  
6 board’s ~~tax~~ levy revenue exceeds the limit under this subsection.

7           **SECTION 5.** 38.16 (3) (a) 2w. of the statutes is created to read:

8           38.16 (3) (a) 2w. “Revenue” means the sum of the tax levy and property tax  
9 relief aid under sub. (4).

10          **SECTION 6.** 38.16 (3) (b) of the statutes is repealed.

11          **SECTION 7.** 38.16 (3) (be) of the statutes, as created by 2013 Wisconsin Act 20,  
12 is amended to read:

13          38.16 (3) (be) Notwithstanding sub. (1), no district board may increase its ~~tax~~  
14 levy revenue in 2013 the 2014–15 school year or in any school year thereafter by a  
15 percentage that exceeds the district’s valuation factor, except as provided in pars.  
16 (bg) and (br).

17          **SECTION 8.** 38.16 (3) (bg) 2. of the statutes, as created by 2013 Wisconsin Act  
18 20, is amended to read:

19          38.16 (3) (bg) 2. If a district board’s allowable levy revenue under this  
20 subsection in 2013 the 2014–15 school year, or any school year thereafter, is greater  
21 than its actual levy revenue in that school year, the limit otherwise applicable to the  
22 district board under this subsection in the succeeding school year is increased by the  
23 difference between the prior school year’s allowable levy revenue and the prior school  
24 year’s actual levy revenue, as determined by the department of revenue, up to a

1 maximum increase of 0.5 percent of the actual levy revenue in that prior school year,  
2 if the district board approves the increase by a three-fourths vote.

3 **SECTION 9.** 38.16 (3) (br) 1. of the statutes, as affected by 2013 Wisconsin Act  
4 20, is amended to read:

5 38.16 (3) (br) 1. If a district board wishes to exceed the limit otherwise  
6 applicable to the district under this subsection, it shall adopt a resolution supporting  
7 inclusion in the final district budget of an amount equal to the proposed excess levy  
8 revenue. The resolution shall be filed as provided in s. 8.37. Within 10 days after  
9 adopting the resolution, the district board shall notify the board of the scheduled date  
10 of the referendum and submit a copy of the resolution to the board. The district board  
11 shall call a special referendum for the purpose of submitting the resolution to the  
12 electors of the district for approval or rejection. In lieu of a special referendum, the  
13 district board may specify that the referendum be held at the next succeeding spring  
14 primary or election or partisan primary or general election, if such election is to be  
15 held not sooner than 70 days after the filing of the resolution of the district board.  
16 The district board shall certify the results of the referendum to the board within 10  
17 days after the referendum is held.

18 **SECTION 10.** 38.16 (3) (br) 2. of the statutes is amended to read:

19 38.16 (3) (br) 2. The district board shall publish type A, B, C, D, and E notices  
20 of the referendum under s. 10.01 (2). Notwithstanding s. 10.01 (2) (a), the type A  
21 notice shall include a statement of the amount of the excess levy revenue specified  
22 in subd. 1. and a copy of the resolution under subd. 1. Section 5.01 (1) applies in the  
23 event of failure to comply with the notice requirements of this subdivision.

24 **SECTION 11.** 38.16 (3) (c) (intro.) of the statutes, as affected by 2013 Wisconsin  
25 Act 20, is amended to read:

1           38.16 (3) (c) (intro.) Except as provided in par. (d), if the board determines that  
2 a district board ~~imposed an excess levy~~ exceeded its limit under this subsection, the  
3 board shall do all of the following:

4           **SECTION 12.** 38.16 (3) (c) 1. of the statutes is amended to read:

5           38.16 (3) (c) 1. Reduce the amount of state aid payments to the district board  
6 in the school year in which the district board ~~imposed the excess levy~~ exceeded its  
7 limit by an amount equal to the amount of the excess levy revenue.

8           **SECTION 13.** 38.16 (3) (c) 3. of the statutes, as affected by 2013 Wisconsin Act  
9 20, is amended to read:

10           38.16 (3) (c) 3. Ensure that the amount of the excess levy revenue is not  
11 included in determining the limit under this subsection for the district board for the  
12 following year.

13           **SECTION 14.** 38.16 (3) (c) 4. of the statutes is amended to read:

14           38.16 (3) (c) 4. Ensure that, if a district board's excess levy revenue exceeds the  
15 amount of state aid that may be reduced under subd. 1., the excess amount is  
16 subtracted from state aid payments in the following years until the total amount of  
17 the excess levy revenue is subtracted from the state aid payments.

18           **SECTION 15.** 38.16 (3) (d) of the statutes is amended to read:

19           38.16 (3) (d) The department may issue a finding that a district board is not  
20 liable for a penalty that would otherwise be imposed under par. (c) if the department  
21 determines that the district board's excess levy revenue is caused by one of the  
22 following clerical errors:

23           1. The department, through mistake or inadvertence, has assessed to any  
24 county or taxation district, in the current year or in the previous year, a greater or



1 lesser valuation for any year than should have been assessed, causing the district  
2 board's levy to be erroneous in a way that directly causes an excess levy revenue.

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

6 **SECTION 16.** 38.16 (4) of the statutes is created to read:

7 38.16 (4) On February 20, 2015, and annually thereafter on the 3rd Friday in  
8 February, the board shall distribute to each district board, from the appropriation  
9 under s. 20.292 (1) (dp), the amount determined as follows:

10 (a) For the payment in 2015, divide the district's equalized value as of January  
11 1, 2014, by the total equalized value of all districts as of January 1, 2014, and  
12 multiply the quotient by \$406,000,000.

13 (b) For the payment in 2016 and annually thereafter, the amount determined  
14 under par. (a).

15 **SECTION 17.** 71.05 (6) (b) 47. am. of the statutes, as affected by 2013 Wisconsin  
16 Act 20, is amended to read:

17 71.05 (6) (b) 47. am. For taxable years beginning after December 31, 2010, and  
18 before January 1, 2014, for 2 consecutive taxable years beginning with the taxable  
19 year in which the claimant's business locates to this state from another state or  
20 another country and begins doing business in this state, as defined in s. 71.22 (1r),  
21 and subject to the limitations provided under subd. 47. d., dm., and e., the profit or  
22 loss from a trade or business as reported on federal income tax return schedules C  
23 and F or their equivalents, plus ordinary gain or loss on the sale of business assets,  
24 as determined under s. 71.01 (6), but not less than zero, multiplied by the  
25 apportionment fraction determined in s. 71.04 (4) and subject to s. 71.04 (7).

1           **SECTION 18.** 71.05 (6) (b) 47. b. of the statutes, as affected by 2013 Wisconsin  
2 Act 20, is amended to read:

3           71.05 (6) (b) 47. b. With respect to partners and members of limited liability  
4 companies, for taxable years beginning after December 31, 2010, and before January  
5 1, 2014, for 2 consecutive taxable years beginning with the taxable year in which the  
6 partnership's or limited liability company's business locates to this state from  
7 another state or another country and begins doing business in this state, as defined  
8 in s. 71.22 (1r), and subject to the limitations provided under subd. 47. d., dm., and  
9 e., the partner's or member's distributive share of taxable income as calculated under  
10 section 703 of the Internal Revenue Code; plus the items of income and gain under  
11 section 702 of the Internal Revenue Code, including taxable state and municipal  
12 bond interest and excluding nontaxable interest income or dividend income from  
13 federal government obligations; minus the items of loss and deduction under section  
14 ~~756702~~ 702 of the Internal Revenue Code, except items that are not deductible under  
15 s. 71.21; plus guaranteed payments to partners under section 707 (c) of the Internal  
16 Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de), (2di), (2dj), (2dL),  
17 (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s), (3t),  
18 (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), and (8r); and plus or minus, as  
19 appropriate, transitional adjustments, depreciation differences, and basis  
20 differences under s. 71.05 (13), (15), (16), (17), and (19), multiplied by the  
21 apportionment fraction determined in s. 71.04 (4) and subject to s. 71.04 (7) or by  
22 separate accounting. No amounts subtracted under this subd. 47. b. may be included  
23 in the modification under par. (b) 9. or 9m.

24           **SECTION 19.** 71.05 (6) (b) 47. c. of the statutes, as affected by 2013 Wisconsin  
25 Act 20, is amended to read:

1           71.05 (6) (b) 47. c. With respect to shareholders of a tax-option corporation, for  
2 taxable years beginning after December 31, 2010, and before January 1, 2014, for 2  
3 consecutive taxable years beginning with the taxable year in which the tax-option  
4 corporation's business locates to this state from another state or another country and  
5 begins doing business in this state, as defined in s. 71.22 (1r), and subject to the  
6 limitations provided under subd. 47. d., dm., and e., the shareholder's distributive  
7 share of the entity's net income or loss as determined under this chapter, including  
8 interest income from federal, state, and municipal government obligations,  
9 multiplied by the apportionment fraction determined in s. 71.25 (6m) and subject to  
10 s. 71.25 (9) or by separate accounting. No amounts subtracted under this subdivision  
11 may be included in the modification under par. (b) 9. or 9m.

12           **SECTION 20.** 71.05 (6) (b) 47. dm. of the statutes is created to read:

13           71.05 (6) (b) 47. dm. No person may claim a deduction under this subdivision  
14 for taxable years beginning after December 31, 2013, except that a claimant who is  
15 first eligible to claim a deduction under this subdivision for a taxable year beginning  
16 after December 31, 2012, and before January 1, 2014, may claim the deduction the  
17 following taxable year.

18           **SECTION 21.** 71.05 (8) (b) of the statutes, as affected by 2013 Wisconsin Act 20,  
19 is renumbered 71.05 (8) (b) 1.

20           **SECTION 22.** 71.05 (8) (b) 2. of the statutes is created to read:

21           71.05 (8) (b) 2. The taxpayer need not make the offset against Wisconsin  
22 modified taxable income of the 2 years preceding the loss, as provided under subd.  
23 1., if the taxpayer chooses not to carry back the net operating loss to the 2 years  
24 preceding the loss.

25           **SECTION 23.** 71.05 (8) (c) of the statutes is created to read:

1           71.05 (8) (c) The department shall not pay interest on any overpayment that  
2 results from the carry-back of a net operating loss.

3           **SECTION 24.** 71.06 (1q) (a) of the statutes, as created by 2013 Wisconsin Act 20,  
4 is amended to read:

5           71.06 (1q) (a) On all taxable income from \$0 to \$7,500, 4.40 percent, except that  
6 for taxable years beginning after December 31, 2013, 4.0 percent.

7           **SECTION 25.** 71.06 (2) (i) 1. of the statutes, as created by 2013 Wisconsin Act  
8 20, is amended to read:

9           71.06 (2) (i) 1. On all taxable income from \$0 to \$10,000, 4.40 percent, except  
10 that for taxable years beginning after December 31, 2013, 4.0 percent.

11           **SECTION 26.** 71.06 (2) (j) 1. of the statutes, as created by 2013 Wisconsin Act  
12 20, is amended to read:

13           71.06 (2) (j) 1. On all taxable income from \$0 to \$5,000, 4.40 percent, except that  
14 for taxable years beginning after December 31, 2013, 4.0 percent.

15           **SECTION 27.** 71.07 (4k) (b) 1. of the statutes, as created by 2013 Wisconsin Act  
16 20, is amended to read:

17           71.07 (4k) (b) 1. Subject to the limitations provided in this subsection, and  
18 except as provided in subds. 2. and 3., for taxable years beginning after December  
19 31, 2012, an individual, a partner of a partnership, a shareholder of a tax-option  
20 corporation, or a member of a limited liability company may claim a credit against  
21 the tax imposed under s. 71.02 or 71.08, as allocated under par. (d), an amount equal  
22 to 5 percent of the amount obtained by subtracting from the individual's,  
23 partnership's, tax-option corporation's, or limited liability company's qualified  
24 research expenses, as defined in section 41 of the Internal Revenue Code, except that  
25 "qualified research expenses" includes only expenses incurred by the individual,

1 partnership, tax-option corporation, or the limited liability company, incurred for  
2 research conducted in this state for the taxable year, except that a taxpayer may elect  
3 the alternative computation under section 41 (c) (4) of the Internal Revenue Code  
4 and that election applies until the department permits its revocation, except as  
5 provided in par. (c), and except that "qualified research expenses" does not include  
6 compensation used in computing the credit under subs. (2dj) and (2dx), the entity's  
7 base amount, as defined in section 41 (c) of the Internal Revenue Code, except that  
8 gross receipts used in calculating the base amount means gross receipts from sales  
9 attributable to Wisconsin under ss. 71.04 (7) (b) 1. and 2., (df), (dh), (dj), and (dk).  
10 Section 41 (h) of the Internal Revenue Code does not apply to the credit under this  
11 subdivision.

12 **SECTION 28.** 71.07 (5i) (c) 3. of the statutes is created to read:

13 71.07 (5i) (c) 3. No credit may be claimed under this subsection based on an  
14 amount paid under par. (b) after December 31, 2013.

15 **SECTION 29.** 71.07 (5m) (a) 4. of the statutes is amended to read:

16 71.07 (5m) (a) 4. "Net tax liability" means a claimant's income tax liability after  
17 he or she completes the computations listed in s. 71.10 (4) (a) to ~~(dr)~~ (d).

18 **SECTION 30.** 71.07 (5n) (b) (intro.) of the statutes is amended to read:

19 71.07 (5n) (b) *Filing claims.* (intro.) Subject to the limitations provided in this  
20 subsection, a claimant may claim as a credit against the tax imposed under s. ~~ss.~~  
21 71.02 and 71.08, up to the amount of the tax, an amount equal to one of the following  
22 percentages of the claimant's eligible qualified production activities income in the  
23 taxable year:

24 **SECTION 31.** 71.07 (9r) (a) of the statutes is amended to read:

1           71.07 (9r) (a) For taxable years beginning on or after August 1, 1988, any  
2 natural person may credit against taxes otherwise due under s. 71.02 or 71.08 an  
3 amount equal to 25% of the costs of preservation or rehabilitation of historic property  
4 located in this state, including architectural fees and costs incurred in preparing  
5 nomination forms for listing in the national register of historic places in Wisconsin  
6 or the state register of historic places, if the nomination is made within 5 years prior  
7 to submission of a preservation or rehabilitation plan under par. (b) 3. b., and if the  
8 physical work of construction or destruction in preparation for construction begins  
9 after December 31, 1988, except that the credit may not exceed \$10,000, or \$5,000  
10 for married persons filing separately, for any preservation or rehabilitation project.

11           **SECTION 32.** 71.08 (1) (intro.) of the statutes, as affected by 2013 Wisconsin Act  
12 62, is amended to read:

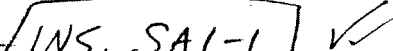
13           71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married  
14 couple filing jointly, trust, or estate under s. 71.02, not considering the credits under  
15 ss. 71.07 (1), (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2dy), (3m), (3n), (3p),  
16 (3q), (3r), (3rm), (3rn), (3s), (3t), (3w), (5b), (5d), (5e), (5f), (5h), (5i), (5j), (5n), (6), (6e),  
17 (8r), (9e), and (9m), 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1dy), (2m), (3),  
18 (3n), (3t), and (3w), 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1dy), (2m), (3),  
19 (3n), (3t), and (3w), 71.57 to 71.61, and 71.613 and subch. VIII and payments to other  
20 states under s. 71.07 (7), is less than the tax under this section, there is imposed on  
21 that natural person, married couple filing jointly, trust or estate, instead of the tax  
22 under s. 71.02, an alternative minimum tax computed as follows:

23           **SECTION 33.** 71.08 (1) (intro.) of the statutes, as affected by 2013 Wisconsin Acts  
24 62 and .... (this act), is amended to read:

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

11           **SECTION 34.** 71.10 (4) (cr) of the statutes is renumbered 71.10 (4) (fn).

12           **SECTION 35.** 71.10 (4) (dr) of the statutes is renumbered 71.10 (4) (fp).

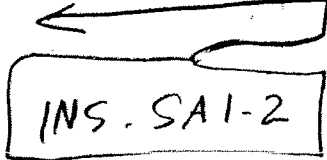
13           **SECTION 36.** 71.10 (4) (er) of the statutes, as created by 2013 Wisconsin Act 20,  
14 is renumbered 71.10 (4) (fr). 

15           **SECTION 37.** 71.28 (5i) (c) 3. of the statutes is created to read:

16           71.28 (5i) (c) 3. No credit may be claimed under this subsection based on an  
17 amount paid under par. (b) after December 31, 2013.

18           **SECTION 38.** 71.28 (9s) (d) 3. of the statutes, as created by 2013 Wisconsin Act  
19 20, is amended to read:

20           71.28 (9s) (d) 3. No credit may be claimed under this subsection for taxable  
21 years beginning after December 31, 2013. ~~Credits under this subsection for taxable~~  
22 ~~years that begin before January 1, 2014, may be carried forward to taxable years that~~  
23 ~~begin after December 31, 2013, except that a claimant who is first eligible to claim~~  
24 a credit under this subsection for taxable years beginning after December 31, 2012,  
25 and before January 1, 2014, may claim the credit in the following taxable year.



1           **SECTION 39.** 71.47 (5i) (c) 3. of the statutes is created to read:

2           71.47 (5i) (c) 3. No credit may be claimed under this subsection based on an  
3 amount paid under par. (b) after December 31, 2013.

4           **SECTION 40.** 71.47 (9s) (d) 3. of the statutes, as created by 2013 Wisconsin Act  
5 20, is amended to read:

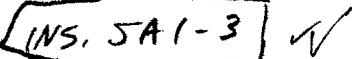
6           71.47 (9s) (d) 3. No credit may be claimed under this subsection for taxable  
7 years beginning after December 31, 2013. ~~Credits under this subsection for taxable~~  
8 ~~years that begin before January 1, 2014, may be carried forward to taxable years that~~  
9 ~~begin after December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

12           **SECTION 41.** 71.52 (6) of the statutes is amended to read:

13           71.52 (6) "Income" means the sum of Wisconsin adjusted gross income and the  
14 following amounts, to the extent not included in Wisconsin adjusted gross income:  
15 maintenance payments (except foster care maintenance and supplementary  
16 payments excludable under section 131 of the internal revenue code), support money,  
17 cash public assistance (not including credit granted under this subchapter and  
18 amounts under s. 46.27), cash benefits paid by counties under s. 59.53 (21), the gross  
19 amount of any pension or annuity (including railroad retirement benefits, all  
20 payments received under the federal social security act and veterans disability  
21 pensions), nontaxable interest received from the federal government or any of its  
22 instrumentalities, nontaxable interest received on state or municipal bonds,  
23 worker's compensation, unemployment insurance, the gross amount of "loss of time"  
24 insurance, compensation and other cash benefits received from the United States for  
25 past or present service in the armed forces, scholarship and fellowship gifts or



1 income, capital gains, gain on the sale of a personal residence excluded under section  
2 121 of the internal revenue code, dividends, income of a nonresident or part-year  
3 resident who is married to a full-year resident, housing allowances provided to  
4 members of the clergy, the amount by which a resident manager's rent is reduced,  
5 nontaxable income of an American Indian, nontaxable income from sources outside  
6 this state and nontaxable deferred compensation. Intangible drilling costs,  
7 depletion allowances and depreciation, including first-year depreciation allowances  
8 under section 179 of the internal revenue code, amortization, contributions to  
9 individual retirement accounts under section 219 of the internal revenue code,  
10 contributions to Keogh plans, net operating loss carry-backs and carry-forwards  
11 and capital loss carry-forwards deducted in determining Wisconsin adjusted gross  
12 income shall be added to "income". "Income" does not include gifts from natural  
13 persons, cash reimbursement payments made under title XX of the federal social  
14 security act, surplus food or other relief in kind supplied by a governmental agency,  
15 the gain on the sale of a personal residence deferred under section 1034 of the  
16 internal revenue code or nonrecognized gain from involuntary conversions under  
17 section 1033 of the internal revenue code. Amounts not included in adjusted gross  
18 income but added to "income" under this subsection in a previous year and repaid  
19 may be subtracted from income for the year during which they are repaid.  
20 Scholarship and fellowship gifts or income that are included in Wisconsin adjusted  
21 gross income and that were added to household income for purposes of determining  
22 the credit under this subchapter in a previous year may be subtracted from income  
23 for the current year in determining the credit under this subchapter. A marital  
24 property agreement or unilateral statement under ch. 766 has no effect in computing

1 "income" for a person whose homestead is not the same as the homestead of that  
2 person's spouse. 

3 **SECTION 42.** 77.54 (61) (intro.), (a) and (b) of the statutes, as created by 2013  
4 Wisconsin Act 20, are amended to read:

5 77.54 (61) (intro.) The sales price from the sale of and the storage, use, or other  
6 consumption of the following by a person primarily engaged, as determined by the  
7 department, in commercial printing, ~~not including screen printing or book printing,~~  
8 ~~without publishing, except for gray goods; printing, or printing and binding, books~~  
9 ~~or pamphlets without publishing the books or pamphlets; or performing prepress~~  
10 ~~and postpress services in support of printing activities~~ book printing, or support  
11 activities for printing described under 323111, 323117, and 323120 of the North  
12 American Industry Classification System:

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

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

19 **SECTION 43.** 77.54 (61) (c) of the statutes is created to read:

20 77.54 (61) (c) In this subsection:

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

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

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

1           **SECTION 44.** 238.16 (3) (intro.) of the statutes, as affected by 2013 Wisconsin  
2 Act 20, is amended to read:

3           238.16 (3) **ELIGIBILITY FOR TAX BENEFITS.** (intro.) A person certified under sub.  
4 (2) may receive tax benefits under this section if, in each year for which the person  
5 claims tax benefits under this section, the person increases net employment in this  
6 state in the person's business above the net employment in this state in the person's  
7 business during the year before the person was certified under sub. (2), as  
8 determined by the corporation under its policies and procedures, and one of the  
9 following applies:

INS. SAI-10 ✓

10           **SECTION 9143. Nonstatutory provisions; Technical College System.**

11           (1) **AID NOTIFICATION.** By October 15, 2014, the state technical college system  
12 board shall notify each technical college district board of the amount of aid it will  
13 receive under section 38.16 (4) of the statutes, as created by this act, on February 20,  
14 2015.

INS. SAI-11 ✓

15           **SECTION 9337. Initial applicability; Revenue.**

16           (1) **COMMERCIAL PRINTING.** The treatment of section 77.54 (61) (intro.), (a), (b),  
17 and (c) of the statutes first applies retroactively to sales made on October 1, 2013.

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

INS. SAI-4 ✓

22           (3) **CARRY-BACKS.** The treatment of section 71.52 (6) of the statutes, the  
23 renumbering of section 71.05 (8) (b) of the statutes, and the creation of section 71.05  
24 (8) (b) 2. of the statutes first apply to taxable years beginning on January 1, 2014.

INS. SAI-6 ✓

INS. SAI-7 ✓

SAI-5 ✓

1 (4) **OVERPAYMENTS.** The treatment of section 71.05 (8) (c) of the statutes first  
2 applies to refunds paid on January 1, 2014.

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

SAI-8 ✓

7 **SECTION 9400. Effective dates; general.** Except as otherwise provided in  
8 SECTIONS 9401 to 9452 of this act, this act takes effect on the day after publication.

9 **SECTION 9437. Effective dates; Revenue.**

10 (1) **COMMERCIAL PRINTING.** The treatment of section 77.54 (61) (intro.), (a), (b),  
11 and (c) of the statutes takes effect retroactively to October 1, 2013.

12 (2) **MANUFACTURING AND AGRICULTURE CREDITS.** The treatment of sections 71.07  
13 (5n) (b) (intro.), 71.08 (1) (intro.) (by SECTION 32), and 71.10 (4) (cr) of the statutes  
14 takes effect retroactively on January 1, 2013.

15 (3) **RESEARCH AND REHABILITATION CREDITS.** The treatment of sections 71.07 (4k)  
16 (b) 1., (5m) (a) 4., and (9r) (a), 71.08 (1) (intro.) (by SECTION 33), and 71.10 (4) (dr) and  
17 (er) of the statutes takes effect on January 1, 2014.

SAI-9 ✓

18

(END)



State of Wisconsin  
2013-2014 LEGISLATURE

**CORRECTIONS IN:**

**January 2014 Special Session**

**SENATE AMENDMENT 1,**

**TO 2013 SENATE BILL 1**

Prepared by the Legislative Reference Bureau  
(March 17, 2014)

- ✓ 1. Page 3, line 20: delete "Page 19, line 24" and substitute "Page 17, line 9".
- ✓ 2. Page 4, line 9: delete "Page 20, line 4" and substitute "Page 17, line 14".

CORR 1

CORR 2

(END)



State of Wisconsin  
2013 - 2014 LEGISLATURE  
January 2014 Special Session



LRBa1894/1  
JK&RAC:eevjm

**SENATE AMENDMENT 1,  
TO 2013 SENATE BILL 1**

February 20, 2014 – Offered by JOINT COMMITTEE ON FINANCE.

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

2 ✓ 1. Page 13, line 14: after that line insert:

SA1-1

3 **SECTION 36d.** 71.26 (4) (a) of the statutes is amended to read:

4 71.26 (4) (a) Except as provided in par. (b), a corporation, except a tax-option  
5 corporation or an insurer to which s. 71.45 (4) applies, may offset against its  
6 Wisconsin net business income any Wisconsin net business loss sustained in any of  
7 the next 15 20 preceding taxable years, if the corporation was subject to taxation  
8 under this chapter in the taxable year in which the loss was sustained, to the extent  
9 not offset by other items of Wisconsin income in the loss year and by Wisconsin net  
10 business income of any year between the loss year and the taxable year for which an  
11 offset is claimed. For purposes of this subsection Wisconsin net business income or  
12 loss shall consist of all the income attributable to the operation of a trade or business  
13 in this state, less the business expenses allowed as deductions in computing net

1 income. The Wisconsin net business income or loss of corporations engaged in  
2 business within and without the state shall be determined under s. 71.25 (6) and (10)  
3 to (12). Nonapportionable losses having a Wisconsin situs under s. 71.25 (5) (b) shall  
4 be included in Wisconsin net business loss; and nonapportionable income having a  
5 Wisconsin situs under s. 71.25 (5) (b), whether taxable or exempt, shall be included  
6 in other items of Wisconsin income and Wisconsin net business income for purposes  
7 of this subsection.”

8 ✓✓ **2.** Page 13, line 25: after that line insert:

SA1-2

9 “SECTION 38d. 71.45 (4) (a) of the statutes is amended to read:

10 71.45 (4) (a) Except as provided in par. (b), insurers computing tax under this  
11 subchapter may subtract from Wisconsin net income any Wisconsin net business loss  
12 sustained in any of the next ~~15~~ 20 preceding taxable years to the extent not offset by  
13 Wisconsin net business income of any year between the loss year and the taxable year  
14 for which an offset is claimed and computed without regard to sub. (2) (a) 8. and 9.  
15 and this subsection and limited to the amount of net income, but no loss incurred for  
16 a taxable year before taxable year 1987 by a nonprofit service plan of sickness care  
17 under ch. 148, or dental care under s. 447.13 may be treated as a net business loss  
18 of the successor service insurer under ch. 613 operating by virtue of s. 148.03 or  
19 447.13.”

20 W **3.** Page 16, line 2: after that line insert:

SA1-3

21 “SECTION 41d. 71.98 (3) of the statutes, as created by 2013 Wisconsin Act 20,  
22 is amended to read:

23 71.98 (3) DEPRECIATION, DEPLETION, AND AMORTIZATION. For taxable years  
24 beginning after December 31, 2013, and for purposes of computing depreciation,

1 depletion, and amortization, the Internal Revenue Code means the federal Internal  
2 Revenue Code in effect on January 1, 2014. For taxable years beginning after  
3 December 31, 2013, and for purposes of computing depletion, the Internal Revenue  
4 code means the federal Internal Revenue code in effect for the year in which the  
5 property is placed in service."

6 ✓ 4. Page 17, line 22: after "CARRY-BACKS." insert:

SAI-4

7 (9) (a).

8 ✓ 5. Page 17, line 22: delete "treatment of section 71.52 (6) of the statutes, the".

9 ✓ 6. Page 17, line 23: delete "statutes," and substitute "statutes".

SAI-6

10 ✓ 7. Page 17, line 24: after that line insert:

SAI-7

11 (am) The treatment of section 71.52 (6) of the statutes first applies  
12 retroactively to taxable years beginning on January 1, 2012."

SAI-8

13 ✓ 8. Page 18, line 6: after that line insert:

14 (5m) NET OPERATING LOSSES; DEPLETION. The treatment of sections 71.26 (4) (a),  
15 71.45 (4) (a), and 71.98 (3) of the statutes first applies to taxable years beginning on  
16 January 1, 2014."

SAI-9

17 ✓ 9. Page 18, line 17: after that line insert:

18 (3d) CARRY-BACKS. The treatment of section 71.52 (6) of the statutes takes  
19 effect retroactively to January 1, 2012."

SAI-10

20 ✓ 10. Page 19, line 24: after that line insert:

INS. CORR 1 ✓

21 SECTION 44m. 2013 Wisconsin Act 20, section 9252 (1) (a) (intro.) is amended  
22 to read:

✓  
17/9



1 [2013 Wisconsin Act 20] Section 9252 (1) (a) (intro.) Notwithstanding 2011  
2 Wisconsin Act 32, section 9255 (1) (c) and (d), the secretary shall not lapse any money  
3 from the agencies specified in those paragraphs during the 2013-15 fiscal biennium,  
4 but shall instead lapse to the general fund from the unencumbered balances of  
5 general purpose revenue and program revenue appropriations to the following  
6 executive branch state agencies, other than sum sufficient appropriations and  
7 appropriations of federal revenues, the following amounts in each fiscal year of the  
8 2013-15 fiscal biennium the 2013-14, 2014-15, and 2015-16 fiscal years.".

✓  
17/14  
9 ✓ 11. Page 20, line 4: after that line insert:

INS. CORR 2 ✓

SAI-11

10 **SECTION 9201. Fiscal changes; Administration.**

11 (1m) TRANSFERS TO THE BUDGET STABILIZATION FUND. Notwithstanding section  
12 16.518 (3) of the statutes, no amounts shall be transferred from the general fund to  
13 the budget stabilization fund during the 2013-15 fiscal biennium.".

14 (END)