



## 2017 ASSEMBLY BILL 39

January 30, 2017 - Introduced by Representatives BARCA, STUCK, HESSELBEIN, FIELDS, DOYLE, GOYKE, ANDERSON, OHNSTAD, CROWLEY, SINICKI, VRUWINK, POPE, WACHS, MASON, BERCEAU, SARGENT, SPREITZER, ZAMARRIPA, BOWEN, MILROY, BILLINGS, SHANKLAND, HEBL, MEYERS and SUBECK, cosponsored by Senators ERPENBACH, RINGHAND, L. TAYLOR and C. LARSON. Referred to Committee on Jobs and the Economy.

1     **AN ACT to amend** 71.07 (5b) (d) 1., 71.07 (5d) (b) 2., 71.07 (5d) (d) 2., 71.10 (4)  
2           (gwb), 71.10 (4) (gx), 71.10 (4) (i), 71.28 (5b) (d) 1., 71.30 (3) (eop), 71.30 (3) (f),  
3           71.47 (5b) (d) 1., 71.49 (1) (eop) and 71.49 (1) (f); and **to create** 20.835 (2) (ba),  
4           71.07 (5b) (d) 1m., 71.07 (5b) (d) 4., 71.07 (5d) (b) 3., 71.07 (5d) (d) 2m., 71.07 (5d)  
5           (d) 5., 71.28 (5b) (d) 1m., 71.28 (5b) (d) 4., 71.47 (5b) (d) 1m. and 71.47 (5b) (d)  
6           4. of the statutes; **relating to:** allowing refunds for the early stage seed and  
7           angel investment tax credits and making an appropriation.

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

Under current law, a taxpayer may claim early stage seed and angel investment income and franchise tax credits for the taxpayer's investments in qualified new businesses. If the credit amounts exceed the taxpayer's tax liability, the taxpayer does not receive a refund, but, instead, may apply the amount of the unused credits to subsequent taxable years. Under this bill, if the credit amounts exceed the taxpayer's tax liability, the taxpayer receives a refund.

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For further information see the *state* 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.** 20.835 (2) (ba) of the statutes is created to read:

2           20.835 (2) (ba) *Early stage seed and angel investment credits.* A sum sufficient  
3 to make the payments under ss. 71.07 (5b) (d) 4. and (5d) (d) 5., 71.28 (5b) (d) 4., and  
4 71.47 (5b) (d) 4.

5           **SECTION 2.** 71.07 (5b) (d) 1. of the statutes is amended to read:

6           71.07 (5b) (d) 1. ~~Section~~ For taxable years beginning before January 1, 2017,  
7 s. 71.28 (4) (e) to (h), as it applies to the credit under s. 71.28 (4), applies to the credit  
8 under this subsection.

9           **SECTION 3.** 71.07 (5b) (d) 1m. of the statutes is created to read:

10           71.07 (5b) (d) 1m. For taxable years beginning after December 31, 2016, s.  
11 71.28 (4) (e), (g), and (h), as it applies to the credit under s. 71.28 (4), applies to the  
12 credit under this subsection.

13           **SECTION 4.** 71.07 (5b) (d) 4. of the statutes is created to read:

14           71.07 (5b) (d) 4. For taxable years beginning after December 31, 2016, if the  
15 allowable amount of the claim under par. (b) exceeds the tax otherwise due under s.  
16 71.02 or 71.08, the amount of the claim not used to offset the tax due shall be certified  
17 by the department of revenue to the department of administration for payment by  
18 check, share draft, or other draft drawn from the appropriation account under s.  
19 20.835 (2) (ba).

20           **SECTION 5.** 71.07 (5d) (b) 2. of the statutes is amended to read:

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1           71.07 (5d) (b) 2. For taxable years beginning after December 31, 2007, and  
2           before January 1, 2017, for the taxable year certified by the department of commerce  
3           or the Wisconsin Economic Development Corporation, an amount equal to 25 percent  
4           of the claimant's bona fide angel investment made directly in a qualified new  
5           business venture.

6           **SECTION 6.** 71.07 (5d) (b) 3. of the statutes is created to read:

7           71.07 (5d) (b) 3. For taxable years beginning after December 31, 2016, for the  
8           taxable year certified by the Wisconsin Economic Development Corporation, an  
9           amount equal to 25 percent of the claimant's bona fide angel investment made  
10          directly in a qualified new business venture.

11          **SECTION 7.** 71.07 (5d) (d) 2. of the statutes is amended to read:

12          71.07 (5d) (d) 2. Section For taxable years beginning before January 1, 2017,  
13          s. 71.28 (4) (e) to (h), as it applies to the credit under s. 71.28 (4), applies to the credit  
14          under this subsection.

15          **SECTION 8.** 71.07 (5d) (d) 2m. of the statutes is created to read:

16          71.07 (5d) (d) 2m. For taxable years beginning after December 31, 2016, s.  
17          71.28 (4) (e), (g), and (h), as it applies to the credit under s. 71.28 (4), applies to the  
18          credit under this subsection.

19          **SECTION 9.** 71.07 (5d) (d) 5. of the statutes is created to read:

20          71.07 (5d) (d) 5. For taxable years beginning after December 31, 2016, if the  
21          allowable amount of the claim under par. (b) exceeds the tax otherwise due under s.  
22          71.02 or 71.08, the amount of the claim not used to offset the tax due shall be certified  
23          by the department of revenue to the department of administration for payment by  
24          check, share draft, or other draft drawn from the appropriation account under s.  
25          20.835 (2) (ba).

**ASSEMBLY BILL 39****SECTION 10**

1           **SECTION 10.** 71.10 (4) (gwb) of the statutes is amended to read:

2           71.10 (4) (gwb) Early stage seed investment credit under s. 71.07 (5b), except  
3 as provided under par. (i).

4           **SECTION 11.** 71.10 (4) (gxx) of the statutes is amended to read:

5           71.10 (4) (gxx) Angel investment credit under s. 71.07 (5d), except as provided  
6 under par. (i).

7           **SECTION 12.** 71.10 (4) (i) of the statutes is amended to read:

8           71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland  
9 preservation credit under ss. 71.57 to 71.61, farmland preservation credit, 2010 and  
10 beyond under s. 71.613, homestead credit under subch. VIII, farmland tax relief  
11 credit under s. 71.07 (3m), dairy manufacturing facility investment credit under s.  
12 71.07 (3p), jobs tax credit under s. 71.07 (3q), meat processing facility investment  
13 credit under s. 71.07 (3r), woody biomass harvesting and processing credit under s.  
14 71.07 (3rm), food processing plant and food warehouse investment credit under s.  
15 71.07 (3rn), business development credit under s. 71.07 (3y), early stage seed  
16 investment credit under s. 71.07 (5b) (d) 4., angel investment credit under s. 71.07  
17 (5d) (d) 5., film production services credit under s. 71.07 (5f), film production  
18 company investment credit under s. 71.07 (5h), veterans and surviving spouses  
19 property tax credit under s. 71.07 (6e), enterprise zone jobs credit under s. 71.07 (3w),  
20 beginning farmer and farm asset owner tax credit under s. 71.07 (8r), earned income  
21 tax credit under s. 71.07 (9e), estimated tax payments under s. 71.09, and taxes  
22 withheld under subch. X.

23           **SECTION 13.** 71.28 (5b) (d) 1. of the statutes is amended to read:

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1           71.28 (5b) (d) 1. ~~Subsection~~ For taxable years beginning before January 1,  
2           2017, sub. (4) (e) to (h), as it applies to the credit under sub. (4), applies to the credit  
3           under this subsection.

4           **SECTION 14.** 71.28 (5b) (d) 1m. of the statutes is created to read:

5           71.28 (5b) (d) 1m. For taxable years beginning after December 31, 2016, sub.  
6           (4) (e), (g), and (h), as it applies to the credit under sub. (4), applies to the credit under  
7           this subsection.

8           **SECTION 15.** 71.28 (5b) (d) 4. of the statutes is created to read:

9           71.28 (5b) (d) 4. For taxable years beginning after December 31, 2016, if the  
10          allowable amount of the claim under par. (b) exceeds the tax otherwise due under s.  
11          71.23, the amount of the claim not used to offset the tax due shall be certified by the  
12          department of revenue to the department of administration for payment by check,  
13          share draft, or other draft drawn from the appropriation account under s. 20.835 (2)  
14          (ba).

15          **SECTION 16.** 71.30 (3) (eop) of the statutes is amended to read:

16          71.30 (3) (eop) Early stage seed investment credit under s. 71.28 (5b), except  
17          as provided under par. (f).

18          **SECTION 17.** 71.30 (3) (f) of the statutes is amended to read:

19          71.30 (3) (f) The total of farmland preservation credit under subch. IX,  
20          farmland tax relief credit under s. 71.28 (2m), dairy manufacturing facility  
21          investment credit under s. 71.28 (3p), jobs credit under s. 71.28 (3q), meat processing  
22          facility investment credit under s. 71.28 (3r), woody biomass harvesting and  
23          processing credit under s. 71.28 (3rm), food processing plant and food warehouse  
24          investment credit under s. 71.28 (3rn), enterprise zone jobs credit under s. 71.28  
25          (3w), business development credit under s. 71.28 (3y), early stage seed investment

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1 credit under s. 71.28 (5b) (d) 4., film production services credit under s. 71.28 (5f), film  
2 production company investment credit under s. 71.28 (5h), beginning farmer and  
3 farm asset owner tax credit under s. 71.28 (8r), and estimated tax payments under  
4 s. 71.29.

5 **SECTION 18.** 71.47 (5b) (d) 1. of the statutes is amended to read:

6 71.47 **(5b)** (d) 1. ~~Section~~ For taxable years beginning before January 1, 2017,  
7 s. 71.28 (4) (e) to (h), as it applies to the credit under s. 71.28 (4), applies to the credit  
8 under this subsection.

9 **SECTION 19.** 71.47 (5b) (d) 1m. of the statutes is created to read:

10 71.47 **(5b)** (d) 1m. For taxable years beginning after December 31, 2016, s.  
11 71.28 (4) (e), (g), and (h), as it applies to the credit under s. 71.28 (4), applies to the  
12 credit under this subsection.

13 **SECTION 20.** 71.47 (5b) (d) 4. of the statutes is created to read:

14 71.47 **(5b)** (d) 4. For taxable years beginning after December 31, 2016, if the  
15 allowable amount of the claim under par. (b) exceeds the tax otherwise due under s.  
16 71.43, the amount of the claim not used to offset the tax due shall be certified by the  
17 department of revenue to the department of administration for payment by check,  
18 share draft, or other draft drawn from the appropriation account under s. 20.835 (2)  
19 (ba).

20 **SECTION 21.** 71.49 (1) (eop) of the statutes is amended to read:

21 71.49 **(1)** (eop) Early stage seed investment credit under s. 71.47 (5b), except  
22 as provided under par. (f).

23 **SECTION 22.** 71.49 (1) (f) of the statutes is amended to read:

24 71.49 **(1)** (f) The total of farmland preservation credit under subch. IX,  
25 farmland tax relief credit under s. 71.47 (2m), dairy manufacturing facility

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1 investment credit under s. 71.47 (3p), jobs credit under s. 71.47 (3q), meat processing  
2 facility investment credit under s. 71.47 (3r), woody biomass harvesting and  
3 processing credit under s. 71.47 (3rm), food processing plant and food warehouse  
4 investment credit under s. 71.47 (3rn), enterprise zone jobs credit under s. 71.47  
5 (3w), business development credit under s. 71.47 (3y), early stage seed investment  
6 credit under s. 71.47 (5b) (d) 4., film production services credit under s. 71.47 (5f), film  
7 production company investment credit under s. 71.47 (5h), beginning farmer and  
8 farm asset owner tax credit under s. 71.47 (8r), and estimated tax payments under  
9 s. 71.48.

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**(END)**