

CR 95-159

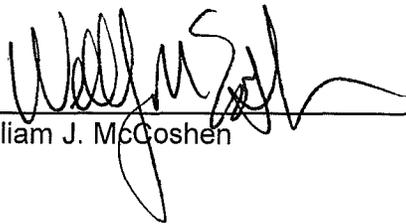
CERTIFICATE

STATE OF WISCONSIN)
) SS
DEPARTMENT OF DEVELOPMENT)

I, William J. McCoshen, Secretary and custodian of the official records of the Department of Development, do hereby certify that the annexed rules relating to the Development Zone Program were duly approved and adopted by this Department on November 13, 1995.

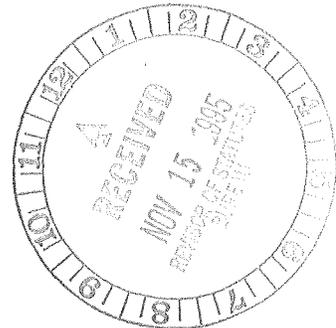
I further certify that said copy has been compared by me with the original on file in this Department and that the same is a true copy thereof, and of the whole of the original.

IN TESTIMONY WHEREOF, I have here-
unto set my hand as Secretary at 123 West
Washington Avenue in the City of Madison,
this 13th day of November, 1995.



William J. McCoshen

18-007





Text of Rule:

SECTION 1. DOD 12.02 (5) and (7) are repealed.

SECTION 2. DOD 12.03 is repealed.

SECTION 3. DOD 12.03 (5) is created to read:

DOD 12.03 (5) In determining whether a development zone should be allocated additional tax benefits, the department shall consider the following:

(a) Whether the local governing body has complied with the terms and conditions of its development zone plan.

(b) Whether the tax benefits allocated to the development zone have been exhausted.

(c) Whether the additional tax benefits will be utilized prior to the expiration date of the development zone.

SECTION 4. DOD 12.04 and 12.05 are repealed.

SECTION 5. DOD 12.06 (1) and (2) (a) to (c) are repealed.

SECTION 6. DOD 12.06 (2) (d) and (e) are repealed and recreated to read:

DOD 12.06 (2) (d) A copy of the person's Wisconsin form DC, prepared and certified as to accuracy by a certified public accountant in accordance with generally accepted accounting principles, consistently applied.

(e) A project report describing the status of the person's project including, without limitation, the number of targeted employees hired, the total amount invested and other information relating to the tax credits claimed by the person.

SECTION 7. DOD 12.06 (2) (f) to (h) and (3), (4) and (5) are repealed.

SECTION 8. DOD 12.07 is repealed.

SECTION 9. DOD 12.08 (1) (a), (b) 3, (2) and (3) are amended to read:

DOD 12.08 (1) (a) The designation of an area as a development zone shall be effective for 84 months, beginning on the day the department notifies the applicant ~~under s. DOD 12.06 (4) (b)~~ of the designation.

(b) 3. Documentation that the area continues to meet 2 of the criteria ~~under s. DOD 12.05 (2) (e)~~ set forth in s. 560.71 (1) (e), Stats.

(2) Annually the department shall estimate the amount of foregone state revenue because of tax benefits claimed by persons in each development zone. Notwithstanding sub. (1), the designation of an area as a development zone shall expire 90 days after the day on which the department determines that the foregone tax revenues will equal or exceed the limit for the development zone established ~~under s. DOD 12.10 (1)~~ s. 560.745 (1) (a), Stats. The department shall immediately notify the applicant of a change in the expiration date of the development zone under this subsection.

(3) The department may remove a zone designation ~~under s. DOD 12.10 (4)~~ s. DOD 12.03 (2).

SECTION 10. DOD 12.09 is repealed.

SECTION 11. DOD 12.10 (1) and (2) are repealed.

SECTION 12. DOD 12.10 (title) and (3) to (6) are renumbered 12.03 (title) and (1) to (4) and as renumbered 12.03 (1) (a), (c) and (d), (2) (a) and (b), (3) and (4) are amended to read:

DOD 12.03 (1) (a) No persons are certified ~~under s. DOD 12.11~~ within 12 months beginning from the date the zone was designated ~~under s. DOD 12.06 (4) (b)~~.

(c) The failure of the applicant to carry out the activities specified in the development zone plan ~~under s. DOD 12.06~~.

(d) A determination by the department that inaccurate information was provided in the development zone application ~~under s. DOD 12.05~~, or under the development zone plan ~~under s. 12.06~~, which would have affected the decision to designate the area as a development zone.

(2) (a) No persons are certified ~~under s. DOD 12.11~~ within 12 months beginning from the date the zone was designated ~~under s. DOD 12.06 (4) (b)~~, and the applicant is not carrying out the activities specified in the development zone plan ~~under s. DOD 12.06~~.

(b) No persons are certified ~~under s. DOD 12.11~~ within 24 months beginning from the date the zone was designated ~~under s. DOD 12.06 (4) (b)~~.

(3) Upon receiving notice from the department of a reduction in the allocation to the development zone under sub. ~~(3)~~ (1), or removal of development zone designation under sub. ~~(4)~~ (2), an applicant may appeal to the department secretary within 60 days.

(4) Tax benefits allocated to a development zone in 1989, 1991 or 1995 that are reduced under sub. ~~(3)~~ (1) or removed under sub. ~~(4)~~ (2) shall be placed into the reserve under sub. (1) (a) by the department and reallocated to other existing development zones in accordance with sub. (5).

SECTION 13. DOD 12.11 is repealed.

SECTION 14. DOD 12.12 (title) is renumbered 12.04 (title).

SECTION 15. DOD 12.12 (1) and (2) are repealed.

SECTION 16. DOD 12.12 (3) to (5) are renumbered 12.04 (1) to (3) and as renumbered DOD 12.04 (1), (2) (a) and (c) and (3) are amended to read:

DOD 12.04 (1) Persons operating business incubators that are certified under ~~s. DOD 12.11 s. 560.765, Stats.~~ shall only be eligible to claim tax benefits for eligible expenses incurred by those persons. Persons operating businesses located in a business incubator that are certified under ~~s. DOD 12.11 s. 560.765, Stats.~~ shall only be eligible to receive tax benefits for eligible expenses incurred by those persons.

(2) (a) The department may reduce the maximum amount of tax benefits a certified person may receive ~~under sub. (1)~~ if any of the following apply:

1. The person fails to hire the number of target group members as proposed by the person ~~under s. DOD 12.11 (1) (e)~~, and the person is unable to demonstrate that the proposed number of target group members will be hired while the development zone designation under s. DOD 12.08 (1) is in effect..

2. The person fails to make investments and other expenditures equal to or exceeding the amount proposed by the person ~~under s. DOD 12.11 (1) (d)~~, and the person is unable to demonstrate that the proposed investments and other expenditures will be made while the development zone designation under s. DOD 12.08 (1) is in effect.

3. The person did not comply with the plan for hiring members of the target population as proposed ~~under s. 12.11 (1) (e)~~.

4. The person is found to have submitted inaccurate, false, or misleading information ~~under s. DOD 12.11 (1)~~ which would have affected the decision to certify the person as eligible for tax benefits.

(c) Any reduction in tax benefits from a business under this subsection shall remain with the development zone of which the business was a part, subject to ~~s. DOD 12.10 (3)~~ s. DOD 12.03 (1).

(3) The department may, upon the request of a certified person and upon the recommendation of the local governing body, or the designee of the local governing body, increase the limit on tax benefits established for the certified person ~~under sub. (1)~~, if the department does all of the following:

(a) Complies with ~~sub. (1)~~ s. 560.768 (2), Stats., with respect to the proposed increase.

(b) Revises the certification ~~under s. DOD 12.11~~ and provides a copy of the revised form to the department of revenue and to the person whose limit is increased under this section.

SECTION 17. DOD 12.13 (1) and (2) are repealed.

SECTION 18. DOD 12.13 (3) is renumbered 12.05 and as renumbered is amended to read:

DOD 12.05 (title) REMAINING TAX BENEFITS. The ~~remaining~~ tax benefits allocated to a business that loses its certification for tax benefits ~~under this section~~ shall remain with the development zone of which the business was a part; ~~subject to s. DOD 12.10 (3)~~.

SECTION 19. DOD 12.14 (title) and (1) are renumbered 12.06 (title) and (1) and as renumbered 12.06 (1) (intro.) and (a) are amended to read:

DOD 12.06 (1) (intro.) A person certified ~~under s. 12.11~~ may file, using forms prescribed by the department of revenue, for tax benefits. Development Zone tax benefit claims shall include all of the following:

(a) A copy of the certification ~~under s. DOD 12.11~~.

SECTION 20. DOD 12.14 (2) (a) to (d) are renumbered 12.06 (2) (a) to (c) and (f).

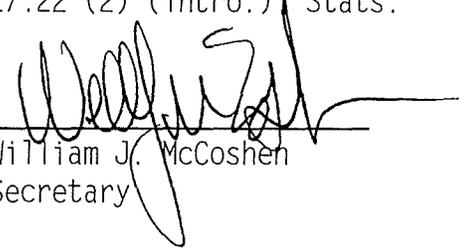
SECTION 21. DOD 12.14 (3) to (5) are renumbered 12.06 (3) to (5) and as renumbered 12.06 (4) (a) and (5) are amended to read:

DOD 12.06 (4) (a) The department shall inform a person certified under ~~s. DOD 12.11~~ of the designated local agency under ss. 71.07 (2dj) (am) 2, 71.28 (1dj) (am) 2 and 71.47 (1dj) (am) 2, Stats., responsible for certifying the eligibility of workers for the development zone jobs credit. A person may not receive a development zone jobs credit unless the employe for whom the development zone jobs credit is claimed is certified by the appropriate local agency prior to the date of employment or not more than ~~30~~ 90 calendar days after the date of employment.

(5) A person may only claim tax benefits for eligible expenses incurred after the person is certified ~~under s. DOD 12.11~~ except as provided in ss. 71.07 (2d1) (ag), 71.28 (1d1) (ag) and 71.47 (1d1) (ag), Stats.

EFFECTIVE DATE: The regulations set forth in this order shall be effective on the first day of the month following publication in the Wisconsin administrative register as provided in s. 227.22 (2) (intro.) Stats.

Dated: 11-13-95

Agency: 
William J. McCoshen
Secretary