



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-1673/P1
JK:ahe

DOA:.....Quinn, BB0313 - Capital gains exclusion modification

FOR 2017-2019 BUDGET -- NOT READY FOR INTRODUCTION

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

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

Current law allows an individual to claim an income tax deduction for the capital gain realized from an investment in a qualified Wisconsin business. A business may register with DOR as a qualified Wisconsin business if it has at least two full-time employees in this state and its payroll compensation to employees in this state is equal to at least 50 percent of its total payroll compensation.

This bill provides that, for purposes of registering with DOR, an employee of a professional employer organization or a professional employer group who is performing services for a client is considered an employee solely of the client. Under current law, a professional employer organization is any person contracting with a client to provide the client with an ongoing employee workforce. A professional employer group is two or more professional employer organizations controlled by the same person.

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:

SECTION 1. 73.03 (69) (b) 1. of the statutes is amended to read:

73.03 **(69)** (b) 1. The business has at least 2 full-time employees and the amount of payroll compensation paid by the business in this state is equal to at least 50 percent of the amount of all payroll compensation paid by the business. An employee of a professional employer organization, as defined in s. 202.21 (5), or a professional employer group, as defined in s. 202.21 (4), who is performing services for a client is considered an employee solely of the client for purposes of this subdivision.

(END)