



## WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

**2005 Wisconsin Act 487**  
[2005 Senate Bill 136]

**Airport Development Zone Tax  
Credits and Construction Loans**

2005 Wisconsin Act 487 creates income and franchise tax credits for businesses located in an airport development zone and a loan program for certain construction projects in an airport development zone.

### **Loan Program**

The Act establishes the Wisconsin Airport Development Zone Loan Program, and authorizes the Wisconsin Housing and Economic Development Authority (WHEDA) to issue bonds in an aggregate principal amount not to exceed \$200,000,000. WHEDA may award a loan to a business, including an airport, for the purpose of financing the construction or expansion of an airport in an airport development zone, including financing activities to increase the number of flights to and from the airport, or to encourage airlines that do not offer flights to and from the airport to offer such flights.

The Act authorizes the Department of Commerce (DOC) to designate an area as an airport development zone if six specified criteria are met. Then the DOC is required to consider additional factors in determining whether to designate an area as an airport development zone. An airport development zone may not be in an area that is a development zone, a development opportunity zone, or an enterprise development zone. The Department of Transportation is given the opportunity to review and comment on the airport development zone designation. The designation is effective for up to 84 months.

### **Tax Credits**

When DOC designates an airport development zone, the DOC must establish a limit not to exceed \$3,000,000 for tax benefits applicable to the zone. The total tax benefits applicable to all zones may not exceed \$9,000,000.

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This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.state.wi.us/>.

The Act provides that in the event that DOC determines that foregone tax revenue equals or exceeds the limit established for the zone, an airport development zone designation must expire 90 days after this determination.

A person who intends to operate a place of business in an airport development zone may submit an application and business plan to DOC that must contain certain specified items. If the business plan is approved by DOC, the DOC must certify the person as eligible for the income and franchise tax credits under the Act.

***Effective Date:*** Act 487 takes effect on June 14, 2006.

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