



## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

**2007 Senate Bill 24**

**Senate Amendment 1**

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*Current law* provides four types of tax credits for film production activities. These credits were created by 2005 Wisconsin Act 483 and may first be claimed for taxable years beginning on or after January 1, 2008. These credits are set forth at s. 71.07 (5f) and (5h), Stats., which apply to individuals, s. 71.28 (5f) and (5h), Stats., which apply to corporations, and s. 71.47 (5f) and (5h), Stats., which apply to insurance companies.

The four types of tax credits for film production activities are credits for film production services paid by the claimant, for film production expenditures paid by the claimant, for sales and use tax paid by the claimant, and for the purchase of certain tangible and real property by the claimant. The tax credit for film production expenditures is a refundable credit.

*Senate Bill 24* changes the taxable years in which film production tax credits may be claimed from taxable years beginning on or after January 1, 2008 to taxable years beginning on or after July 1, 2007. Senate Bill 24 also allows expenses incurred after December 31, 2006 and before July 1, 2007 to be claimed on the tax return for an entity's first taxable year beginning on or after July 1, 2007.

### *Senate Amendment 1*

Senate Amendment 1 changes the order of computation of film production tax credits for corporations and insurance companies. The changes to the order of computation enable corporations and insurance companies that qualify for the tax credits to take the non-refundable credits before the refundable credit. Under current law, individuals who qualify for the tax credits may take the non-refundable credits before the refundable credit.

**Legislative History**

The Committee on Economic Development, Job Creation, Family Prosperity and Housing introduced Senate Amendment 1 to 2007 Senate Bill 24. The committee recommended adoption of Senate Amendment 1 by a vote of Ayes, 7; Noes, 0; and recommended passage of Senate Bill 24, as amended, by a vote of Ayes, 6; Noes, 1; on February 20, 2007.

SG:jal