



## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

**2011 Senate Bill 5**

**Senate Substitute  
Amendment 1**

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*Contact: Scott Grosz, Senior Staff Attorney (266-1307)*

### **CURRENT LAW**

Under current law, the Wisconsin Economic Development Corporation (WEDC) may certify a person to receive a tax credit (“jobs tax credit”) if the person operates or intends to operate a business in this state and enters into a contract with WEDC. For taxable years beginning after December 31, 2010, the credits equal a percentage, as determined by WEDC but not exceeding 10%, of qualified new employee wages, up to a maximum of \$10,000 per employee.

To receive a jobs tax credit, a person who has been certified must have increased net employment in his or her business. In addition, the person must have created jobs with wages above a certain threshold, improved employees’ job-related skills, or provided other qualified training. To qualify, new jobs must pay annual wages of at least \$20,000, or at least \$30,000, depending upon the classification of the county or municipality as a “tier I” or “tier II” county or municipality, as determined by WEDC based on factors such as the unemployment rate and median family income in the area.

The total amount of jobs tax credits that may be awarded in a calendar year is \$5 million. In addition, a \$14.5 million limit applies to credits for taxable years beginning on or after January 1, 2010 and ending before July 1, 2013.

The credits are refundable. However, refunds for credits certified for taxable years beginning after December 31, 2009, and before January 1, 2012, shall be paid in taxable years beginning after December 31, 2011.

### **2011 SENATE BILL 5**

2011 Senate Bill 5 modifies the timeline for payment of refunds under the tax credit program. Specifically, under the bill, refunds for credits certified for taxable years beginning after December 31,

2009 and before June 30, 2011, shall be paid in taxable years beginning on or after July 1, 2011. In 2011, the effect of the change would be to advance the timing of refund payments made to claimants who have elected a taxable year that begins during the second half of the calendar year.

### **SENATE SUBSTITUTE AMENDMENT 1**

Under Senate Substitute Amendment 1 to Senate Bill 5, beginning on July 1, 2011, the cap on the total amount of credits that may be awarded under the jobs tax credit program in any one calendar year is increased from \$5 million to \$10 million.

### **LEGISLATIVE HISTORY**

Senate Bill 5 was introduced by Senators Hopper, Darling, and Wangaard on January 14, 2011. On September 12, 2011, Senate Darling offered Senate Substitute Amendment 1. On September 21, 2011, the Senate Committee on Public Health, Human Services, and Revenue recommended adoption of Senate Substitute Amendment 1 on a vote of Ayes, 5; Noes, 0. On the same day, the committee recommended passage of Senate Bill 5, as amended, on a vote of Ayes, 5; Noes, 0.

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