



2005 ASSEMBLY BILL 323

April 15, 2005 - Introduced by Representatives WIECKERT, JENSEN, HAHN, TOWNSEND, MUSSER, HINES, OWENS, OTT and F. LASEE, cosponsored by Senators KANAVAS and LASSA. Referred to Committee on Economic Development.

1 **AN ACT to amend** 71.07 (2), 71.07 (2dr) (f), 71.28 (1) (b), 71.28 (4) (f), 71.47 (1)
2 (b) and 71.47 (4) (f) of the statutes; **relating to:** extending tax credit carry-over
3 provisions for income tax and franchise tax purposes.

Analysis by the Legislative Reference Bureau

Under current law, generally, if an income or franchise tax credit claimed by a business exceeds the tax liability of the business for the taxable year, the state will not issue a refund check, but the business may claim the unused balance of the credit against its tax liability for up to 15 subsequent taxable years. Under this bill, a business may claim the unused balance of any income or franchise tax credit against its tax liability for up to 20 subsequent taxable years. The bill applies to all credits related to development zones, to the community development authority credit, to the research credit, and to the supplemental federal historic rehabilitation credit.

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:

4 **SECTION 1.** 71.07 (2) of the statutes is amended to read:
5 71.07 (2) COMMUNITY DEVELOPMENT FINANCE AUTHORITY CREDIT. Any individual
6 receiving a credit under s. 71.09 (12m), 1985 stats., may carry forward to the next

ASSEMBLY BILL 323**SECTION 1**

1 succeeding ~~15~~ 20 taxable years the amount of the credit not offset against taxes for
2 the year of purchase to the extent not offset by those taxes otherwise due in all
3 intervening years between the year for which the credit was computed and the year
4 for which the carry-forward is claimed.

5 **SECTION 2.** 71.07 (2dr) (f) of the statutes is amended to read:

6 71.07 **(2dr)** (f) *Carry-over.* If a credit computed under this subsection is not
7 entirely offset against Wisconsin income or franchise taxes otherwise due, the
8 unused balance may be carried forward and credited against Wisconsin income or
9 franchise taxes otherwise due for the following ~~15~~ 20 taxable years to the extent not
10 offset by these taxes otherwise due in all intervening years between the year in which
11 the expense was incurred and the year in which the carry-forward credit is claimed.

12 **SECTION 3.** 71.28 (1) (b) of the statutes is amended to read:

13 71.28 **(1)** (b) Any corporation receiving a credit under this subsection may carry
14 forward to the next succeeding ~~15~~ 20 taxable years the amount of the credit not offset
15 against taxes for the year of purchase to the extent not offset by those taxes otherwise
16 due in all intervening years between the year for which the credit was computed and
17 the year for which the carry-forward is claimed.

18 **SECTION 4.** 71.28 (4) (f) of the statutes is amended to read:

19 71.28 **(4)** (f) *Carry-over.* If a credit computed under this subsection is not
20 entirely offset against Wisconsin income or franchise taxes otherwise due, the
21 unused balance may be carried forward and credited against Wisconsin income or
22 franchise taxes otherwise due for the following ~~15~~ 20 taxable years to the extent not
23 offset by these taxes otherwise due in all intervening years between the year in which
24 the expense was incurred and the year in which the carry-forward credit is claimed.

25 **SECTION 5.** 71.47 (1) (b) of the statutes is amended to read:

ASSEMBLY BILL 323

1 71.47 (1) (b) Any corporation receiving a credit under this subsection may carry
2 forward to the next succeeding ~~15~~ 20 taxable years the amount of the credit not offset
3 against taxes for the year of purchase to the extent not offset by those taxes otherwise
4 due in all intervening years between the year for which the credit was computed and
5 the year for which the carry-forward is claimed.

6 **SECTION 6.** 71.47 (4) (f) of the statutes is amended to read:

7 71.47 (4) (f) *Carry-over.* If a credit computed under this subsection is not
8 entirely offset against Wisconsin income or franchise taxes otherwise due, the
9 unused balance may be carried forward and credited against Wisconsin income or
10 franchise taxes otherwise due for the following ~~15~~ 20 taxable years to the extent not
11 offset by these taxes otherwise due in all intervening years between the year in which
12 the expense was incurred and the year in which the carry-forward credit is claimed.

13 **SECTION 7. Initial applicability.**

14 (1) This act first applies, for corporations and insurance companies, to credits
15 computed for taxable years beginning on January 1, 1988, and, for individuals,
16 tax-option corporations, partnerships, and limited liability companies, to credits
17 computed for taxable years beginning on January 1, 1998.

18

(END)