



2007 ASSEMBLY BILL 378

May 31, 2007 - Introduced by Representatives WOOD, GRONEMUS, MOULTON, MOLEPSKE, LOTHIAN, HAHN, MUSSER, MURSAU, TOWNSEND, SHERIDAN, BIES, BALLWEG, ALBERS, GUNDERSON, TAUCHEN, NYGREN and A. OTT, cosponsored by Senators KREITLOW, DARLING and SCHULTZ. Referred to Committee on Biofuels and Sustainable Energy.

1 **AN ACT to amend** 71.05 (6) (a) 15., 71.21 (4), 71.26 (2) (a), 71.28 (4) (ad) 1., 71.28
2 (5) (ad) 1., 71.34 (1) (g), 71.45 (2) (a) 10., 71.47 (4) (ad) 1., 71.47 (5) (ad) 1., 77.92
3 (4), 78.01 (1) and 560.205 (1) (g); and **to create** 71.07 (3x), 71.07 (3y), 71.07 (5i),
4 71.07 (5k), 71.07 (8r), 71.10 (4) (dn), 71.10 (4) (gc), 71.10 (4) (gcb), 71.10 (4) (gcd),
5 71.10 (4) (gce), 71.28 (3x), 71.28 (3y), 71.28 (4) (ad) 4., 71.28 (5) (ad) 4., 71.28 (5i),
6 71.28 (5k), 71.30 (3) (dk), 71.30 (3) (ed), 71.30 (3) (edb), 71.30 (3) (edc), 71.47 (3x),
7 71.47 (3y), 71.47 (4) (ad) 4., 71.47 (5) (ad) 4., 71.47 (5i), 71.47 (5k), 71.49 (1) (dk),
8 71.49 (1) (ds), 71.49 (1) (dsb) and 71.49 (1) (dsc) of the statutes; **relating to:** the
9 motor vehicle fuel tax imposed on fuel from a renewable resource, income and
10 franchise tax credits related to renewable energy, and requiring the exercise of
11 rule-making authority.

Analysis by the Legislative Reference Bureau

This bill creates income and franchise tax credits for the amount that a person pays in the taxable year for any of the following:

1. Equipment that generates electricity from solar energy, wind energy, or agricultural waste.

ASSEMBLY BILL 378

2. Research and development related to designing and manufacturing equipment that generates electricity from solar energy, wind energy, garbage, or agricultural or organic waste.

3. The construction of an energy efficient commercial building.

4. The installation of fuel station equipment that dispenses fuel that, generally, consists of at least 85 percent ethanol or 20 percent biodiesel fuel.

5. Building materials used by a contractor to construct an energy efficient home.

6. Energy efficient equipment and products that the person installs in his or her principal residence, including air-source and geothermal heat pumps, solar water heating systems, windows, exterior doors, Energy Star appliances and metal roofing materials, woodburning furnaces, and cornburning furnaces.

Under current law, a person who makes an “angel” investment in a business certified by the Department of Commerce to receive such investments may claim an income tax credit for 25 percent of the investment. Certain businesses, however, are not eligible for certification, including any business engaged in retail trade, hospitality, transportation, or construction. The bill provides that a business engaged in the construction of a power production plant that derives energy from a renewable resource may be certified to receive angel investments.

Finally, the bill provides that the motor vehicle fuel tax does not apply to ethanol contained in motor vehicle fuel that consists of at least 85 percent ethanol or to biomass or any other renewable resource contained in biodiesel fuel that contains at least 20 percent biomass or other renewable resource.

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:

1 **SECTION 1.** 71.05 (6) (a) 15. of the statutes is amended to read:

2 71.05 **(6)** (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),
3 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3n), (3s), (3t), (3w), (3x), (3y), (5b),
4 (5d), and (5e), (5f), and (5h), (5i), and (5k) and not passed through by a partnership,
5 limited liability company, or tax-option corporation that has added that amount to
6 the partnership’s, company’s, or tax-option corporation’s income under s. 71.21 (4)
7 or 71.34 (1) (g).

8 **SECTION 2.** 71.07 (3x) of the statutes is created to read:

ASSEMBLY BILL 378

1 71.07 (3x) ALTERNATIVE ENERGY SOURCES CREDIT. (a) *Definitions.* In this
2 subsection:

3 1. "Claimant" means a person who files a claim under this subsection.

4 2. "Used exclusively" means used to the exclusion of all other uses except for
5 use not exceeding 5 percent of total use.

6 (b) *Filing claims.* Subject to the limitations provided under this subsection, for
7 taxable years beginning after June 30, 2008, and before July 1, 2010, a claimant may
8 claim as a credit against the taxes imposed under s. 71.02, up to the amount of the
9 tax, an amount equal to any of the following:

10 1. Ten percent of the amount that the claimant paid in the taxable year on the
11 purchase of equipment that captures solar energy, wind energy, or gas from garbage
12 or from agricultural or organic waste, including livestock manure, and converts such
13 energy or gas into electricity, if the rated capacity of all such equipment at the point
14 of interconnection does not exceed 25,000 watts of alternating or direct current.

15 2. Ten percent of the amount that the claimant paid in the taxable year on the
16 purchase of professional services for the design, installation, maintenance, and
17 repair of the equipment described in subd. 1.

18 3. Ten cents per kilowatt hour for energy generated in the taxable year from
19 solar energy, wind energy, or gas from livestock manure and other agricultural
20 waste, if the energy is used exclusively by the claimant or returned to a utility as
21 surplus energy.

22 (c) *Limitations.* 1. The maximum amount of the credits that may be claimed
23 by all claimants under this subsection in each fiscal year is \$1,000,000. No claimant
24 may claim a credit under this subsection unless the claimant files an application for
25 the credit with the department, in the manner prescribed by the department, and the

ASSEMBLY BILL 378**SECTION 2**

1 department approves the credit. The department shall adjust the amount of the
2 credits claimed by each claimant so that the total amount of all credits claimed does
3 not exceed the maximum amount established under this subdivision.

4 2. Partnerships, limited liability companies, and tax-option corporations may
5 not claim the credit under this subsection, but the eligibility for, and the amount of,
6 the credit are based on their payment of amounts under par. (b). A partnership,
7 limited liability company, or tax-option corporation shall compute the amount of
8 credit that each of its partners, members, or shareholders may claim and shall
9 provide that information to each of them. Partners, members of limited liability
10 companies, and shareholders of tax-option corporations may claim the credit in
11 proportion to their ownership interests.

12 (d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under
13 s. 71.28 (4), applies to the credit under this subsection.

14 **SECTION 3.** 71.07 (3y) of the statutes is created to read:

15 71.07 (3y) ENERGY EFFICIENT COMMERCIAL BUILDING CREDIT. (a) *Definition.* In
16 this subsection, "claimant" means a person who files a claim under this subsection.

17 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
18 taxable years beginning after December 31, 2007, a claimant may claim as a credit
19 against the taxes imposed under s. 71.02, up to the amount of the tax, an amount that
20 is equal to the amount that the claimant paid in the taxable year to construct,
21 rehabilitate, remodel, or repair a building that is placed in service in the taxable year,
22 if, after the building is placed in service, the building is assessed as commercial
23 property under s. 70.32 (2) (a) 2. and, as determined by rule by the department of
24 revenue, the building's interior lighting, heating, cooling, ventilation, and hot water
25 systems use at least 50 percent less energy than a building that satisfies the

ASSEMBLY BILL 378

1 minimum requirements under standard 90.1-2001 of the American Society of
2 Heating, Refrigerating, and Air-Conditioning Engineers and the Illuminating
3 Engineering Society of North America, as in effect on April 2, 2003.

4 (c) *Limitations.* 1. The maximum amount that a claimant may claim under this
5 subsection is an amount equal to the total square footage of the building multiplied
6 by \$1.80.

7 2. Partnerships, limited liability companies, and tax-option corporations may
8 not claim the credit under this subsection, but the eligibility for, and the amount of,
9 the credit are based on their payment of amounts under par. (b). A partnership,
10 limited liability company, or tax-option corporation shall compute the amount of
11 credit that each of its partners, members, or shareholders may claim and shall
12 provide that information to each of them. Partners, members of limited liability
13 companies, and shareholders of tax-option corporations may claim the credit in
14 proportion to their ownership interests.

15 (d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under
16 s. 71.28 (4), applies to the credit under this subsection.

17 **SECTION 4.** 71.07 (5i) of the statutes is created to read:

18 71.07 (5i) CLEAN FUEL FUELING STATION CREDIT. (a) *Definitions.* In this
19 subsection:

20 1. "Biodiesel fuel" has the meaning given in s. 168.14 (2m) (a).

21 2. "Claimant" means a retail dealer, as defined in s. 78.005 (13m), who files a
22 claim under this subsection.

23 3. "Clean fuel" means any fuel that consists of:

24 a. At least 85 percent ethanol, natural gas, compressed natural gas, liquified
25 natural gas, liquified petroleum gas, or hydrogen.

ASSEMBLY BILL 378**SECTION 4**

1 b. A mixture of diesel fuel and biodiesel fuel containing at least 20 percent
2 biodiesel fuel.

3 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
4 taxable years beginning after December 31, 2007, and before January 1, 2018, a
5 claimant may claim as a credit against the taxes imposed under s. 71.02, up to the
6 amount of the tax, an amount that is equal to the amount that the claimant paid in
7 the taxable year to install or convert equipment that dispenses clean fuel.

8 (c) *Limitations.* 1. The maximum amount that a claimant may claim under this
9 subsection is an amount equal to \$5,000 for each retail fueling station for which the
10 claimant paid expenses as described under par. (b).

11 2. The maximum amount of the credits that may be claimed by all claimants
12 under this subsection in each taxable year is \$1,000,000. No claimant may claim a
13 credit under this subsection unless the claimant files an application for the credit
14 with the department, in the manner prescribed by the department, and the
15 department approves the credit. The department shall adjust the amount of the
16 credits claimed by each claimant so that the total amount of all credits claimed does
17 not exceed the maximum amount established under this subdivision.

18 3. Partnerships, limited liability companies, and tax-option corporations may
19 not claim the credit under this subsection, but the eligibility for, and the amount of,
20 the credit are based on their payment of amounts under par. (b). A partnership,
21 limited liability company, or tax-option corporation shall compute the amount of
22 credit that each of its partners, members, or shareholders may claim and shall
23 provide that information to each of them. Partners, members of limited liability
24 companies, and shareholders of tax-option corporations may claim the credit in
25 proportion to their ownership interests.

ASSEMBLY BILL 378

1 (d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under
2 s. 71.28 (4), applies to the credit under this subsection.

3 **SECTION 5.** 71.07 (5k) of the statutes is created to read:

4 71.07 (5k) ENERGY EFFICIENT HOME CONSTRUCTION CREDIT. (a) *Definitions.* In
5 this subsection:

6 1. "Claimant" means a person who files a claim under this subsection.

7 2. "Contractor" has the meaning given in s. 77.51 (2).

8 3. "Energy efficient home" means a home that satisfies the energy savings
9 requirements under section 45L (c) of the Internal Revenue Code, regardless of
10 whether the home is certified under section 45L (d) of the Internal Revenue Code.

11 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
12 taxable years beginning after December 31, 2007, a claimant may claim as a credit
13 against the taxes imposed under s. 71.02, up to the amount of the tax, the amount
14 that the claimant paid in the taxable year for building materials used to construct
15 an energy efficient home in this state, if the claimant is a contractor or a producer
16 of manufactured homes.

17 (c) *Limitations.* 1. The maximum amount that a claimant may claim under this
18 subsection in a taxable year is an amount equal to \$2,000 for each energy efficient
19 home constructed by the claimant in the taxable year.

20 2. Partnerships, limited liability companies, and tax-option corporations may
21 not claim the credit under this subsection, but the eligibility for, and the amount of,
22 the credit are based on their payment of amounts under par. (b). A partnership,
23 limited liability company, or tax-option corporation shall compute the amount of
24 credit that each of its partners, members, or shareholders may claim and shall
25 provide that information to each of them. Partners, members of limited liability

ASSEMBLY BILL 378**SECTION 5**

1 companies, and shareholders of tax-option corporations may claim the credit in
2 proportion to their ownership interests.

3 (d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under
4 s. 71.28 (4), applies to the credit under this subsection.

5 **SECTION 6.** 71.07 (8r) of the statutes is created to read:

6 **71.07 (8r) ENERGY EFFICIENCY HOME IMPROVEMENT CREDIT.** (a) *Definitions.* In
7 this subsection:

8 1. “Air-source heat pump” means an air-source heat pump with a heating
9 seasonal performance factor rating of at least 9, an energy efficiency rating of at least
10 13, and a seasonal energy efficiency rating of at least 15.

11 2. “Claimant” means an individual who files a claim under this subsection.

12 3. “Energy efficient” means satisfying the standards established by the 2001
13 supplement of the 2000 International Energy Conservation Code or the 2004
14 supplement of the 2003 International Energy Conservation Code.

15 4. “Geothermal heat pump” means a ground-source heat pump unit used for
16 heating and cooling that employs a fluid to transfer heat between the unit and the
17 earth and that has any of the following:

18 a. For a closed loop product, an energy efficiency rating of at least 14.1 and a
19 heating coefficient of performance of at least 3.3.

20 b. For an open loop product, an energy efficiency rating of at least 16.2 and a
21 heating coefficient of performance of at least 3.6.

22 c. For a direct expansion product, an energy efficiency rating of at least 15 and
23 a heating coefficient of performance of at least 3.5.

24 5. “Solar water heating system” means a solar water heating system certified
25 by the solar rating and certification corporation or any successor entity, if at least 50

ASSEMBLY BILL 378

1 percent of the energy generated from the system comes from the sun and if the
2 system is not used to heat water for swimming pools or hot tubs.

3 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
4 taxable years beginning after December 31, 2007, a claimant may claim as a credit
5 against the tax imposed under s. 71.02, up to the amount of the credits, all of the
6 following that the claimant paid in the taxable year, if the items specified in subds.
7 1. to 11. are installed in the claimant's principal residence:

8 1. Ten percent of the amount paid for energy efficient windows, except that the
9 total amount of the claim for all such windows purchased by the claimant in the
10 taxable year may not exceed \$500.

11 2. Ten percent of the amount paid for energy efficient skylights, except that the
12 total amount of the claim for all such skylights purchased by the claimant in the
13 taxable year may not exceed \$200.

14 3. Ten percent of the amount paid for energy efficient exterior doors, except that
15 the total amount of the claim for all such doors purchased by the claimant in the
16 taxable year may not exceed \$500.

17 4. Ten percent of the amount paid for energy star qualified metal roofing
18 material, except that the total amount of the claim for all such material purchased
19 by the claimant in the taxable year may not exceed \$500.

20 5. Ten percent of the amount paid for insulation that satisfies the standards
21 established by the 2000 International Energy Conservation Code, and any
22 amendments to the code, except that the total amount of the claim for all such
23 insulation purchased by the claimant in the taxable year may not exceed \$500.

24 6. The amount paid for an air-source heat pump, not to exceed \$300.

25 7. The amount paid for a geothermal heat pump, not to exceed \$1,000.

ASSEMBLY BILL 378**SECTION 6**

1 8. The amount paid for a water heater that uses methane to heat water and has
2 an energy factor of at least 0.80, not to exceed \$300.

3 9. The amount paid for an electric heat pump water heater that has an energy
4 factor of at 2.0, not to exceed \$300.

5 10. The amount paid for an advanced main air circulating fan that operates by
6 using no more than 2 percent of a furnaces total energy use, not to exceed \$50.

7 11. Thirty percent of the amount paid for a solar water heating system, not
8 including the cost of any equipment that would otherwise be part of a conventional
9 heating system, except that the total amount of the claim for all such systems
10 purchased by the claimant in the taxable year may not exceed \$2,000.

11 12. Ten percent of the amount paid for any dishwasher or clothes washer that
12 satisfies the 2007 energy efficiency guidelines established by the federal
13 environmental protection agency and the federal department of energy under the
14 Energy Star program or for any energy efficient refrigerator.

15 13. Ten percent of the amount paid for a woodburning or cornburning furnace,
16 including any amount paid to install the furnace or to retrofit an existing furnace as
17 a woodburning or cornburning furnace.

18 (c) *Limitations.* 1. No credit may be allowed under this subsection unless it
19 is claimed within the time period under s. 71.75 (2).

20 2. A credit may be claimed under this subsection by a claimant only for the
21 taxable year in which the items specified in par. (b) are installed in the claimant's
22 principal residence.

23 3. No credit may be claimed under this subsection by a part-year resident or
24 a nonresident of this state.

ASSEMBLY BILL 378

1 (d) *Administration*. 1. Subsection (9e) (d), to the extent that it applies to the
2 credit under that subsection, applies to the credit under this subsection.

3 **SECTION 7.** 71.10 (4) (dn) of the statutes is created to read:

4 71.10 (4) (dn) Energy efficiency home improvement credit under s. 71.07 (8r).

5 **SECTION 8.** 71.10 (4) (gc) of the statutes is created to read:

6 71.10 (4) (gc) Clean fuel fueling station credit under s. 71.07 (5i).

7 **SECTION 9.** 71.10 (4) (gcb) of the statutes is created to read:

8 71.10 (4) (gcb) Energy efficient home construction credit under s. 71.07 (5k).

9 **SECTION 10.** 71.10 (4) (gcd) of the statutes is created to read:

10 71.10 (4) (gcd) Alternative energy sources credit under s. 71.07 (3x).

11 **SECTION 11.** 71.10 (4) (gce) of the statutes is created to read:

12 71.10 (4) (gce) Energy efficient commercial building credit under s. 71.07 (3y).

13 **SECTION 12.** 71.21 (4) of the statutes is amended to read:

14 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
15 (2dj), (2dL), (2dm), (2ds), (2dx), (3g), (3n), (3s), (3t), (3w), ~~(3x), (3y)~~, (5b), (5e), (5f), (5g),
16 ~~and (5h), (5i), and (5k)~~ and passed through to partners shall be added to the
17 partnership's income.

18 **SECTION 13.** 71.26 (2) (a) of the statutes is amended to read:

19 71.26 (2) (a) *Corporations in general*. The "net income" of a corporation means
20 the gross income as computed under the Internal Revenue Code as modified under
21 sub. (3) minus the amount of recapture under s. 71.28 (1di) plus the amount of credit
22 computed under s. 71.28 (1), (3), (4), and (5) minus, as provided under s. 71.28 (3) (c)
23 7., the amount of the credit under s. 71.28 (3) that the taxpayer added to income
24 under this paragraph at the time that the taxpayer first claimed the credit plus the
25 amount of the credit computed under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm),

ASSEMBLY BILL 378**SECTION 13**

1 (1ds), (1dx), (3g), (3n), (3t), (3w), (3x), (3y), (5b), (5e), (5f), (5g), ~~and (5h)~~, (5i), and (5k)
2 and not passed through by a partnership, limited liability company, or tax-option
3 corporation that has added that amount to the partnership's, limited liability
4 company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g) plus
5 the amount of losses from the sale or other disposition of assets the gain from which
6 would be wholly exempt income, as defined in sub. (3) (L), if the assets were sold or
7 otherwise disposed of at a gain and minus deductions, as computed under the
8 Internal Revenue Code as modified under sub. (3), plus or minus, as appropriate, an
9 amount equal to the difference between the federal basis and Wisconsin basis of any
10 asset sold, exchanged, abandoned, or otherwise disposed of in a taxable transaction
11 during the taxable year, except as provided in par. (b) and s. 71.45 (2) and (5).

12 **SECTION 14.** 71.28 (3x) of the statutes is created to read:

13 71.28 (3x) ALTERNATIVE ENERGY SOURCES CREDIT. (a) *Definitions.* In this
14 subsection:

15 1. "Claimant" means a person who files a claim under this subsection.

16 2. "Used exclusively" means used to the exclusion of all other uses except for
17 use not exceeding 5 percent of total use.

18 (b) *Filing claims.* Subject to the limitations provided under this subsection, for
19 taxable years beginning after June 30, 2008, and before July 1, 2010, a claimant may
20 claim as a credit against the taxes imposed under s. 71.23, up to the amount of the
21 tax, an amount equal to any of the following:

22 1. Ten percent of the amount that the claimant paid in the taxable year on the
23 purchase of equipment that captures solar energy, wind energy, or gas from garbage
24 or from agricultural or organic waste, including livestock manure, and converts such

ASSEMBLY BILL 378

1 energy or gas into electricity, if the rated capacity of all such equipment at the point
2 of interconnection does not exceed 25,000 watts of alternating or direct current.

3 2. Ten percent of the amount that the claimant paid in the taxable year on the
4 purchase of professional services for the design, installation, maintenance, and
5 repair of the equipment described in subd. 1.

6 3. Ten cents per kilowatt hour for energy generated in the taxable year from
7 solar energy, wind energy, or gas from livestock manure and other agricultural
8 waste, if the energy is used exclusively by the claimant or returned to a utility as
9 surplus energy.

10 (c) *Limitations.* 1. The maximum amount of the credits that may be claimed
11 by all claimants under this subsection in each fiscal year is \$1,000,000. No claimant
12 may claim a credit under this subsection unless the claimant files an application for
13 the credit with the department, in the manner prescribed by the department, and the
14 department approves the credit. The department shall adjust the amount of the
15 credits claimed by each claimant so that the total amount of all credits claimed does
16 not exceed the maximum amount established under this subdivision.

17 2. Partnerships, limited liability companies, and tax-option corporations may
18 not claim the credit under this subsection, but the eligibility for, and the amount of,
19 the credit are based on their payment of amounts under par. (b). A partnership,
20 limited liability company, or tax-option corporation shall compute the amount of
21 credit that each of its partners, members, or shareholders may claim and shall
22 provide that information to each of them. Partners, members of limited liability
23 companies, and shareholders of tax-option corporations may claim the credit in
24 proportion to their ownership interests.

ASSEMBLY BILL 378**SECTION 14**

1 (d) *Administration.* Subsection (4) (e) to (h), as it applies to the credit under
2 sub. (4), applies to the credit under this subsection.

3 **SECTION 15.** 71.28 (3y) of the statutes is created to read:

4 71.28 (3y) ENERGY EFFICIENT COMMERCIAL BUILDING CREDIT. (a) *Definition.* In
5 this subsection, “claimant” means a person who files a claim under this subsection.

6 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
7 taxable years beginning after December 31, 2007, a claimant may claim as a credit
8 against the taxes imposed under s. 71.23, up to the amount of the tax, an amount that
9 is equal to the amount that the claimant paid in the taxable year to construct,
10 rehabilitate, remodel, or repair a building that is placed in service in the taxable year,
11 if, after the building is placed in service, the building is assessed as commercial
12 property under s. 70.32 (2) (a) 2. and, as determined by rule by the department of
13 revenue, the building’s interior lighting, heating, cooling, ventilation, and hot water
14 systems use at least 50 percent less energy than a building that satisfies the
15 minimum requirements under standard 90.1-2001 of the American Society of
16 Heating, Refrigerating, and Air-Conditioning Engineers and the Illuminating
17 Engineering Society of North America, as in effect on April 2, 2003.

18 (c) *Limitations.* 1. The maximum amount that a claimant may claim under this
19 subsection is an amount equal to the total square footage of the building multiplied
20 by \$1.80.

21 2. Partnerships, limited liability companies, and tax-option corporations may
22 not claim the credit under this subsection, but the eligibility for, and the amount of,
23 the credit are based on their payment of amounts under par. (b). A partnership,
24 limited liability company, or tax-option corporation shall compute the amount of
25 credit that each of its partners, members, or shareholders may claim and shall

ASSEMBLY BILL 378

1 provide that information to each of them. Partners, members of limited liability
2 companies, and shareholders of tax-option corporations may claim the credit in
3 proportion to their ownership interests.

4 (d) *Administration.* Subsection (4) (e) to (h), as it applies to the credit under
5 sub. (4), applies to the credit under this subsection.

6 **SECTION 16.** 71.28 (4) (ad) 1. of the statutes is amended to read:

7 71.28 (4) (ad) 1. Except as provided in subds. 2. ~~and 3.~~ to 4., any corporation
8 may credit against taxes otherwise due under this chapter an amount equal to 5
9 percent of the amount obtained by subtracting from the corporation's qualified
10 research expenses, as defined in section 41 of the Internal Revenue Code, except that
11 "qualified research expenses" includes only expenses incurred by the claimant,
12 incurred for research conducted in this state for the taxable year, except that a
13 taxpayer may elect the alternative computation under section 41 (c) (4) of the
14 Internal Revenue Code and that election applies until the department permits its
15 revocation, except as provided in par. (af), and except that "qualified research
16 expenses" does not include compensation used in computing the credit under subs.
17 (1dj) and (1dx), the corporation's base amount, as defined in section 41 (c) of the
18 Internal Revenue Code, except that gross receipts used in calculating the base
19 amount means gross receipts from sales attributable to Wisconsin under s. 71.25 (9)
20 (b) 1. and 2., (d), (df), and (dh). Section 41 (h) of the Internal Revenue Code does not
21 apply to the credit under this paragraph.

22 **SECTION 17.** 71.28 (4) (ad) 4. of the statutes is created to read:

23 71.28 (4) (ad) 4. a. For taxable years beginning after June 30, 2008, and before
24 July 1, 2009, any corporation may credit against taxes otherwise due under this
25 chapter an amount equal to 10 percent of the amount obtained by subtracting from

ASSEMBLY BILL 378**SECTION 17**

1 the corporation's qualified research expenses, as defined in section 41 of the Internal
2 Revenue Code, except that "qualified research expenses" includes only expenses
3 incurred by the claimant for research related to the design and manufacturing of
4 equipment that captures solar energy, wind energy, or gas from livestock manure and
5 other agricultural waste and converts such energy or gas into electricity, incurred for
6 research conducted in this state for the taxable year, except that a taxpayer may elect
7 the alternative computation under section 41 (c) (4) of the Internal Revenue Code
8 and that election applies until the department permits its revocation, except as
9 provided in par. (af), and except that "qualified research expenses" does not include
10 compensation used in computing the credit under subs. (1dj) and (1dx), the
11 corporation's base amount, as defined in section 41 (c) of the Internal Revenue Code,
12 except that gross receipts used in calculating the base amount means gross receipts
13 from sales attributable to Wisconsin under s. 71.25 (9) (b) 1. and 2. and (d). Section
14 41 (h) of the Internal Revenue Code does not apply to the credit under this paragraph.

15 b. The maximum amount of the credits that may be claimed by all claimants
16 under subd. 4. a. is \$250,000. No claimant may claim a credit under subd. 4. a. unless
17 the claimant files an application for the credit with the department, in the manner
18 prescribed by the department, and the department approves the credit. The
19 department shall adjust the amount of the credits claimed by each claimant so that
20 the total amount of all credits claimed does not exceed the maximum amount
21 established under this subd. 4. b.

22 **SECTION 18.** 71.28 (5) (ad) 1. of the statutes is amended to read:

23 71.28 (5) (ad) 1. Except as provided in subds. 2. and ~~3.~~ to 4., for taxable year
24 1986 and subsequent years, any corporation may credit against taxes otherwise due
25 under this chapter an amount equal to 5 percent of the amount paid or incurred by

ASSEMBLY BILL 378

1 that corporation during the taxable year to construct and equip new facilities or
2 expand existing facilities used in this state for qualified research, as defined in
3 section 41 of the Internal Revenue Code. Eligible amounts include only amounts
4 paid or incurred for tangible, depreciable property but do not include amounts paid
5 or incurred for replacement property.

6 **SECTION 19.** 71.28 (5) (ad) 4. of the statutes is created to read:

7 71.28 (5) (ad) 4. a. For taxable years beginning after June 30, 2008, and before
8 July 1, 2009, any corporation may credit against taxes otherwise due under this
9 chapter an amount equal to 10 percent of the amount paid or incurred by that
10 corporation during the taxable year to construct and equip new facilities or expand
11 existing facilities used in this state for qualified research, as defined in section 41 of
12 the Internal Revenue Code, except that “qualified research expenses” includes only
13 expenses paid or incurred by the claimant for research related to the design and
14 manufacturing of equipment that captures solar energy, wind energy, or gas from
15 livestock manure and other agricultural waste and converts such energy or gas into
16 electricity. Eligible amounts include only amounts paid or incurred for tangible,
17 depreciable property but do not include amounts paid or incurred for replacement
18 property.

19 b. The maximum amount of the credits that may be claimed by all claimants
20 under subd. 4. a. is \$250,000. No claimant may claim a credit under subd. 4. a. unless
21 the claimant files an application for the credit with the department, in the manner
22 prescribed by the department, and the department approves the credit. The
23 department shall adjust the amount of the credits claimed by each claimant so that
24 the total amount of all credits claimed does not exceed the maximum amount
25 established under this subd. 4. b.

ASSEMBLY BILL 378**SECTION 20**

1 **SECTION 20.** 71.28 (5i) of the statutes is created to read:

2 71.28 **(5i)** CLEAN FUEL FUELING STATION CREDIT. (a) *Definitions.* In this
3 subsection:

4 1. "Biodiesel fuel" has the meaning given in s. 168.14 (2m) (a).

5 2. "Claimant" means a retail dealer, as defined in s. 78.005 (13m), who files a
6 claim under this subsection.

7 3. "Clean fuel" means any fuel that consists of:

8 a. At least 85 percent ethanol, natural gas, compressed natural gas, liquified
9 natural gas, liquified petroleum gas, or hydrogen.

10 b. A mixture of diesel fuel and biodiesel fuel containing at least 20 percent
11 biodiesel fuel.

12 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
13 taxable years beginning after December 31, 2007, and before January 1, 2018, a
14 claimant may claim as a credit against the taxes imposed under s. 71.23, up to the
15 amount of the tax, an amount that is equal to the amount that the claimant paid in
16 the taxable year to install or convert equipment that dispenses clean fuel.

17 (c) *Limitations.* 1. The maximum amount that a claimant may claim under this
18 subsection is an amount equal to \$5,000 for each retail fueling station for which the
19 claimant paid expenses as described under par. (b).

20 2. The maximum amount of the credits that may be claimed by all claimants
21 under this subsection in each taxable year is \$1,000,000. No claimant may claim a
22 credit under this subsection unless the claimant files an application for the credit
23 with the department, in the manner prescribed by the department, and the
24 department approves the credit. The department shall adjust the amount of the

ASSEMBLY BILL 378

1 credits claimed by each claimant so that the total amount of all credits claimed does
2 not exceed the maximum amount established under this subdivision.

3 3. Partnerships, limited liability companies, and tax-option corporations may
4 not claim the credit under this subsection, but the eligibility for, and the amount of,
5 the credit are based on their payment of amounts under par. (b). A partnership,
6 limited liability company, or tax-option corporation shall compute the amount of
7 credit that each of its partners, members, or shareholders may claim and shall
8 provide that information to each of them. Partners, members of limited liability
9 companies, and shareholders of tax-option corporations may claim the credit in
10 proportion to their ownership interests.

11 (d) *Administration.* Subsection (4) (e) to (h), as it applies to the credit under
12 sub. (4), applies to the credit under this subsection.

13 **SECTION 21.** 71.28 (5k) of the statutes is created to read:

14 71.28 (5k) ENERGY EFFICIENT HOME CONSTRUCTION CREDIT. (a) *Definitions.* In
15 this subsection:

16 1. "Claimant" means a person who files a claim under this subsection.

17 2. "Contractor" has the meaning given in s. 77.51 (2).

18 3. "Energy efficient home" means a home that satisfies the energy savings
19 requirements under section 45L (c) of the Internal Revenue Code, regardless of
20 whether the home is certified under section 45L (d) of the Internal Revenue Code.

21 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
22 taxable years beginning after December 31, 2007, a claimant may claim as a credit
23 against the taxes imposed under s. 71.23, up to the amount of the tax, the amount
24 that the claimant paid in the taxable year for building materials used to construct

ASSEMBLY BILL 378**SECTION 21**

1 an energy efficient home in this state, if the claimant is a contractor or a producer
2 of manufactured homes.

3 (c) *Limitations.* 1. The maximum amount that a claimant may claim under this
4 subsection in a taxable year is an amount equal to \$2,000 for each energy efficient
5 home constructed by the claimant in the taxable year.

6 2. Partnerships, limited liability companies, and tax-option corporations may
7 not claim the credit under this subsection, but the eligibility for, and the amount of,
8 the credit are based on their payment of amounts under par. (b). A partnership,
9 limited liability company, or tax-option corporation shall compute the amount of
10 credit that each of its partners, members, or shareholders may claim and shall
11 provide that information to each of them. Partners, members of limited liability
12 companies, and shareholders of tax-option corporations may claim the credit in
13 proportion to their ownership interests.

14 (d) *Administration.* Subsection (4) (e) to (h), as it applies to the credit under
15 sub. (4), applies to the credit under this subsection.

16 **SECTION 22.** 71.30 (3) (dk) of the statutes is created to read:

17 71.30 (3) (dk) Alternative energy sources credit under s. 71.28 (3x).

18 **SECTION 23.** 71.30 (3) (ed) of the statutes is created to read:

19 71.30 (3) (ed) Clean fuel fueling station credit under s. 71.28 (5i).

20 **SECTION 24.** 71.30 (3) (edb) of the statutes is created to read:

21 71.30 (3) (edb) Energy efficient home construction credit under s. 71.28 (5k).

22 **SECTION 25.** 71.30 (3) (edc) of the statutes is created to read:

23 71.30 (3) (edc) Energy efficient commercial building credit under s. 71.28 (3y).

24 **SECTION 26.** 71.34 (1) (g) of the statutes is amended to read:

ASSEMBLY BILL 378

1 71.34 (1) (g) An addition shall be made for credits computed by a tax-option
2 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (3), (3g),
3 (3n), (3t), (3w), (3x), (3y), (5b), (5e), (5f), (5g), ~~and (5h), (5i), and (5k)~~ and passed
4 through to shareholders.

5 **SECTION 27.** 71.45 (2) (a) 10. of the statutes is amended to read:

6 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
7 computed under s. 71.47 (1dd) to (1dx), (3n), (3w), (3x), (3y), (5b), (5e), (5f), (5g), ~~and~~
8 ~~(5h), (5i), and (5k)~~ and not passed through by a partnership, limited liability
9 company, or tax-option corporation that has added that amount to the partnership's,
10 limited liability company's, or tax-option corporation's income under s. 71.21 (4) or
11 71.34 (1) (g) and the amount of credit computed under s. 71.47 (1), (3), (3t), (4), and
12 (5).

13 **SECTION 28.** 71.47 (3x) of the statutes is created to read:

14 71.47 (3x) ALTERNATIVE ENERGY SOURCES CREDIT. (a) *Definitions.* In this
15 subsection:

16 1. "Claimant" means a person who files a claim under this subsection.

17 2. "Used exclusively" means used to the exclusion of all other uses except for
18 use not exceeding 5 percent of total use.

19 (b) *Filing claims.* Subject to the limitations provided under this subsection, for
20 taxable years beginning after June 30, 2008, and before July 1, 2010, a claimant may
21 claim as a credit against the taxes imposed under s. 71.43, up to the amount of the
22 tax, an amount equal to any of the following:

23 1. Ten percent of the amount that the claimant paid in the taxable year on the
24 purchase of equipment that captures solar energy, wind energy, or gas from garbage
25 or from agricultural or organic waste, including livestock manure, and converts such

ASSEMBLY BILL 378**SECTION 28**

1 energy or gas into electricity, if the rated capacity of all such equipment at the point
2 of interconnection does not exceed 25,000 watts of alternating or direct current.

3 2. Ten percent of the amount that the claimant paid in the taxable year on the
4 purchase of professional services for the design, installation, maintenance, and
5 repair of the equipment described in subd. 1.

6 3. Ten cents per kilowatt hour for energy generated in the taxable year from
7 solar energy, wind energy, or gas from livestock manure and other agricultural
8 waste, if the energy is used exclusively by the claimant or returned to a utility as
9 surplus energy.

10 (c) *Limitations.* 1. The maximum amount of the credits that may be claimed
11 by all claimants under this subsection in each fiscal year is \$1,000,000. No claimant
12 may claim a credit under this subsection unless the claimant files an application for
13 the credit with the department, in the manner prescribed by the department, and the
14 department approves the credit. The department shall adjust the amount of the
15 credits claimed by each claimant so that the total amount of all credits claimed does
16 not exceed the maximum amount established under this subdivision.

17 2. Partnerships, limited liability companies, and tax-option corporations may
18 not claim the credit under this subsection, but the eligibility for, and the amount of,
19 the credit are based on their payment of amounts under par. (b). A partnership,
20 limited liability company, or tax-option corporation shall compute the amount of
21 credit that each of its partners, members, or shareholders may claim and shall
22 provide that information to each of them. Partners, members of limited liability
23 companies, and shareholders of tax-option corporations may claim the credit in
24 proportion to their ownership interests.

ASSEMBLY BILL 378

1 (d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under
2 s. 71.28 (4), applies to the credit under this subsection.

3 **SECTION 29.** 71.47 (3y) of the statutes is created to read:

4 71.47 (3y) ENERGY EFFICIENT COMMERCIAL BUILDING CREDIT. (a) *Definition.* In
5 this subsection, “claimant” means a person who files a claim under this subsection.

6 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
7 taxable years beginning after December 31, 2007, a claimant may claim as a credit
8 against the taxes imposed under s. 71.43, up to the amount of the tax, an amount that
9 is equal to the amount that the claimant paid in the taxable year to construct,
10 rehabilitate, remodel, or repair a building that is placed in service in the taxable year,
11 if, after the building is placed in service, the building is assessed as commercial
12 property under s. 70.32 (2) (a) 2. and, as determined by rule by the department of
13 revenue, the building’s interior lighting, heating, cooling, ventilation, and hot water
14 systems use at least 50 percent less energy than a building that satisfies the
15 minimum requirements under standard 90.1-2001 of the American Society of
16 Heating, Refrigerating, and Air-Conditioning Engineers and the Illuminating
17 Engineering Society of North America, as in effect on April 2, 2003.

18 (c) *Limitations.* 1. The maximum amount that a claimant may claim under this
19 subsection is an amount equal to the total square footage of the building multiplied
20 by \$1.80.

21 2. Partnerships, limited liability companies, and tax-option corporations may
22 not claim the credit under this subsection, but the eligibility for, and the amount of,
23 the credit are based on their payment of amounts under par. (b). A partnership,
24 limited liability company, or tax-option corporation shall compute the amount of
25 credit that each of its partners, members, or shareholders may claim and shall

ASSEMBLY BILL 378**SECTION 29**

1 provide that information to each of them. Partners, members of limited liability
2 companies, and shareholders of tax-option corporations may claim the credit in
3 proportion to their ownership interests.

4 (d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under
5 s. 71.28 (4), applies to the credit under this subsection.

6 **SECTION 30.** 71.47 (4) (ad) 1. of the statutes is amended to read:

7 71.47 (4) (ad) 1. Except as provided in subds. 2. ~~and 3.~~ 4., any corporation
8 may credit against taxes otherwise due under this chapter an amount equal to 5
9 percent of the amount obtained by subtracting from the corporation's qualified
10 research expenses, as defined in section 41 of the Internal Revenue Code, except that
11 "qualified research expenses" includes only expenses incurred by the claimant,
12 incurred for research conducted in this state for the taxable year, except that a
13 taxpayer may elect the alternative computation under section 41 (c) (4) of the
14 Internal Revenue Code and that election applies until the department permits its
15 revocation, except as provided in par. (af), and except that "qualified research
16 expenses" does not include compensation used in computing the credit under subs.
17 (1dj) and (1dx), the corporation's base amount, as defined in section 41 (c) of the
18 Internal Revenue Code, except that gross receipts used in calculating the base
19 amount means gross receipts from sales attributable to Wisconsin under s. 71.25 (9)
20 (b) 1. and 2., (d), (df), and (dh). Section 41 (h) of the Internal Revenue Code does not
21 apply to the credit under this paragraph.

22 **SECTION 31.** 71.47 (4) (ad) 4. of the statutes is created to read:

23 71.47 (4) (ad) 4. a. For taxable years beginning after June 30, 2008, and before
24 July 1, 2009, any corporation may credit against taxes otherwise due under this
25 chapter an amount equal to 10 percent of the amount obtained by subtracting from

ASSEMBLY BILL 378

1 the corporation's qualified research expenses, as defined in section 41 of the Internal
2 Revenue Code, except that "qualified research expenses" includes only expenses
3 incurred by the claimant for research related to the design and manufacturing of
4 equipment that captures solar energy, wind energy, or gas from livestock manure and
5 other agricultural waste and converts such energy or gas into electricity, incurred for
6 research conducted in this state for the taxable year, except that a taxpayer may elect
7 the alternative computation under section 41 (c) (4) of the Internal Revenue Code
8 and that election applies until the department permits its revocation, except as
9 provided in par. (af), and except that "qualified research expenses" does not include
10 compensation used in computing the credit under subs. (1dj) and (1dx), the
11 corporation's base amount, as defined in section 41 (c) of the Internal Revenue Code,
12 except that gross receipts used in calculating the base amount means gross receipts
13 from sales attributable to Wisconsin under s. 71.25 (9) (b) 1. and 2. and (d). Section
14 41 (h) of the Internal Revenue Code does not apply to the credit under this paragraph.

15 b. The maximum amount of the credits that may be claimed by all claimants
16 under subd. 4. a. is \$250,000. No claimant may claim a credit under subd. 4. a. unless
17 the claimant files an application for the credit with the department, in the manner
18 prescribed by the department, and the department approves the credit. The
19 department shall adjust the amount of the credits claimed by each claimant so that
20 the total amount of all credits claimed does not exceed the maximum amount
21 established under this subd. 4. b.

22 **SECTION 32.** 71.47 (5) (ad) 1. of the statutes is amended to read:

23 71.47 (5) (ad) 1. Except as provided in subds. 2. and ~~3.~~ to 4., for taxable year
24 1986 and subsequent years, any corporation may credit against taxes otherwise due
25 under this chapter an amount equal to 5 percent of the amount paid or incurred by

ASSEMBLY BILL 378**SECTION 32**

1 that corporation during the taxable year to construct and equip new facilities or
2 expand existing facilities used in this state for qualified research, as defined in
3 section 41 of the Internal Revenue Code. Eligible amounts include only amounts
4 paid or incurred for tangible, depreciable property but do not include amounts paid
5 or incurred for replacement property.

6 **SECTION 33.** 71.47 (5) (ad) 4. of the statutes is created to read:

7 71.47 (5) (ad) 4. a. For taxable years beginning after June 30, 2008, and before
8 July 1, 2009, any corporation may credit against taxes otherwise due under this
9 chapter an amount equal to 10 percent of the amount paid or incurred by that
10 corporation during the taxable year to construct and equip new facilities or expand
11 existing facilities used in this state for qualified research, as defined in section 41 of
12 the Internal Revenue Code, except that “qualified research expenses” includes only
13 expenses paid or incurred by the claimant for research related to the design and
14 manufacturing of equipment that captures solar energy, wind energy, or gas from
15 livestock manure and other agricultural waste and converts such energy or gas into
16 electricity. Eligible amounts include only amounts paid or incurred for tangible,
17 depreciable property but do not include amounts paid or incurred for replacement
18 property.

19 b. The maximum amount of the credits that may be claimed by all claimants
20 under subd. 4. a. is \$250,000. No claimant may claim a credit under subd. 4. a. unless
21 the claimant files an application for the credit with the department, in the manner
22 prescribed by the department, and the department approves the credit. The
23 department shall adjust the amount of the credits claimed by each claimant so that
24 the total amount of all credits claimed does not exceed the maximum amount
25 established under this subd. 4. b.

ASSEMBLY BILL 378

1 **SECTION 34.** 71.47 (5i) of the statutes is created to read:

2 71.47 **(5i)** CLEAN FUEL FUELING STATION CREDIT. (a) *Definitions.* In this
3 subsection:

4 1. “Biodiesel fuel” has the meaning given in s. 168.14 (2m) (a).

5 2. “Claimant” means a retail dealer, as defined in s. 78.005 (13m), who files a
6 claim under this subsection.

7 3. “Clean fuel” means any fuel that consists of:

8 a. At least 85 percent ethanol, natural gas, compressed natural gas, liquified
9 natural gas, liquified petroleum gas, or hydrogen.

10 b. A mixture of diesel fuel and biodiesel fuel containing at least 20 percent
11 biodiesel fuel.

12 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
13 taxable years beginning after December 31, 2007, and before January 1, 2018, a
14 claimant may claim as a credit against the taxes imposed under s. 71.43, up to the
15 amount of the tax, an amount that is equal to the amount that the claimant paid in
16 the taxable year to install or convert equipment that dispenses clean fuel.

17 (c) *Limitations.* 1. The maximum amount that a claimant may claim under this
18 subsection is an amount equal to \$5,000 for each retail fueling station for which the
19 claimant paid expenses as described under par. (b).

20 2. The maximum amount of the credits that may be claimed by all claimants
21 under this subsection in each taxable year is \$1,000,000. No claimant may claim a
22 credit under this subsection unless the claimant files an application for the credit
23 with the department, in the manner prescribed by the department, and the
24 department approves the credit. The department shall adjust the amount of the

ASSEMBLY BILL 378**SECTION 34**

1 credits claimed by each claimant so that the total amount of all credits claimed does
2 not exceed the maximum amount established under this subdivision.

3 3. Partnerships, limited liability companies, and tax-option corporations may
4 not claim the credit under this subsection, but the eligibility for, and the amount of,
5 the credit are based on their payment of amounts under par. (b). A partnership,
6 limited liability company, or tax-option corporation shall compute the amount of
7 credit that each of its partners, members, or shareholders may claim and shall
8 provide that information to each of them. Partners, members of limited liability
9 companies, and shareholders of tax-option corporations may claim the credit in
10 proportion to their ownership interests.

11 (d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under
12 s. 71.28 (4), applies to the credit under this subsection.

13 **SECTION 35.** 71.47 (5k) of the statutes is created to read:

14 71.47 (5k) ENERGY EFFICIENT HOME CONSTRUCTION CREDIT. (a) *Definitions.* In
15 this subsection:

16 1. “Claimant” means a person who files a claim under this subsection.

17 2. “Contractor” has the meaning given in s. 77.51 (2).

18 3. “Energy efficient home” means a home that satisfies the energy savings
19 requirements under section 45L (c) of the Internal Revenue Code, regardless of
20 whether the home is certified under section 45L (d) of the Internal Revenue Code.

21 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
22 taxable years beginning after December 31, 2007, a claimant may claim as a credit
23 against the taxes imposed under s. 71.43, up to the amount of the tax, the amount
24 that the claimant paid in the taxable year for building materials used to construct

ASSEMBLY BILL 378

1 an energy efficient home in this state, if the claimant is a contractor or a producer
2 of manufactured homes.

3 (c) *Limitations.* 1. The maximum amount that a claimant may claim under this
4 subsection in a taxable year is an amount equal to \$2,000 for each energy efficient
5 home constructed by the claimant in the taxable year.

6 2. Partnerships, limited liability companies, and tax-option corporations may
7 not claim the credit under this subsection, but the eligibility for, and the amount of,
8 the credit are based on their payment of amounts under par. (b). A partnership,
9 limited liability company, or tax-option corporation shall compute the amount of
10 credit that each of its partners, members, or shareholders may claim and shall
11 provide that information to each of them. Partners, members of limited liability
12 companies, and shareholders of tax-option corporations may claim the credit in
13 proportion to their ownership interests.

14 (d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under
15 s. 71.28 (4), applies to the credit under this subsection.

16 **SECTION 36.** 71.49 (1) (dk) of the statutes is created to read:

17 71.49 (1) (dk) Alternative energy sources credit under s. 71.47 (3x).

18 **SECTION 37.** 71.49 (1) (ds) of the statutes is created to read:

19 71.49 (1) (ds) Clean fuel fueling station credit under s. 71.47 (5i).

20 **SECTION 38.** 71.49 (1) (dsb) of the statutes is created to read:

21 71.49 (1) (dsb) Energy efficient home construction credit under s. 71.47 (5k).

22 **SECTION 39.** 71.49 (1) (dsc) of the statutes is created to read:

23 71.49 (1) (dsc) Energy efficient commercial building credit under s. 71.47 (3y).

24 **SECTION 40.** 77.92 (4) of the statutes is amended to read:

ASSEMBLY BILL 378**SECTION 40**

1 77.92 (4) “Net business income,” with respect to a partnership, means taxable
2 income as calculated under section 703 of the Internal Revenue Code; plus the items
3 of income and gain under section 702 of the Internal Revenue Code, including taxable
4 state and municipal bond interest and excluding nontaxable interest income or
5 dividend income from federal government obligations; minus the items of loss and
6 deduction under section 702 of the Internal Revenue Code, except items that are not
7 deductible under s. 71.21; plus guaranteed payments to partners under section 707
8 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),
9 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3s), (3n), (3t), (3w), ~~(3x), (3y)~~, (5b),
10 (5e), (5f), (5g), ~~and (5h), (5i), and (5k)~~; and plus or minus, as appropriate, transitional
11 adjustments, depreciation differences, and basis differences under s. 71.05 (13), (15),
12 (16), (17), and (19); but excluding income, gain, loss, and deductions from farming.
13 “Net business income,” with respect to a natural person, estate, or trust, means profit
14 from a trade or business for federal income tax purposes and includes net income
15 derived as an employee as defined in section 3121 (d) (3) of the Internal Revenue
16 Code.

17 **SECTION 41.** 78.01 (1) of the statutes is amended to read:

18 78.01 (1) IMPOSITION OF TAX AND BY WHOM PAID. An excise tax at the rate
19 determined under ss. 78.015 and 78.017 is imposed on all motor vehicle fuel received
20 by a supplier for sale in this state, for sale for export to this state or for export to this
21 state except as otherwise provided in this chapter. The motor vehicle fuel tax is to
22 be computed and paid as provided in this chapter. Except as otherwise provided in
23 this chapter, a person who receives motor vehicle fuel under s. 78.07 shall collect from
24 the purchaser of the motor vehicle fuel that is received, and the purchaser shall pay
25 to the person who receives the motor vehicle fuel under s. 78.07, the tax imposed by

ASSEMBLY BILL 378

1 this section on each sale of motor vehicle fuel at the time of the sale, irrespective of
2 whether the sale is for cash or on credit. In each subsequent sale or distribution of
3 motor vehicle fuel on which the tax has been collected as provided in this subsection,
4 the tax collected shall be added to the selling price so that the tax is paid ultimately
5 by the user of the motor vehicle fuel. The ethanol contained in motor vehicle fuel is
6 not subject to the tax imposed under this subsection, if the motor vehicle fuel consists
7 of at least 85 percent ethanol. The biomass or other renewable resource contained
8 in biodiesel fuel, as defined in s. 168.14 (2m) (a), is not subject to the tax imposed
9 under this subsection, if the biodiesel fuel consists of at least 20 percent biomass or
10 other renewable resource.

11 **SECTION 42.** 560.205 (1) (g) of the statutes is amended to read:

12 560.205 (1) (g) It is not engaged in real estate development, insurance,
13 banking, lending, lobbying, political consulting, professional services provided by
14 attorneys, accountants, business consultants, physicians, or health care
15 consultants, wholesale or retail trade, leisure, hospitality, transportation, or
16 construction, except construction of power production plants that derive energy from
17 a renewable resource, as defined in s. 196.378 (1) (h).

18 **SECTION 43. Effective dates.** This act takes effect on the day after publication,
19 except as follows:

20 (1) The treatment of section 78.01 (1) of the statutes takes effect on the first day
21 of the 3rd month beginning after publication.

22 (END)