



2013 SENATE BILL 624

February 20, 2014 – Introduced by Senators HARSDORF and SCHULTZ, cosponsored by Representatives PETRYK, T. LARSON, BIES, MURPHY, PRIDEMORE, HULSEY and THIESFELDT. Referred to Committee on Workforce Development, Forestry, Mining, and Revenue.

1 **AN ACT to amend** 71.05 (6) (a) 15., 71.21 (4) (a) and 71.34 (1k) (g); and **to create**
2 71.07 (9t) and 71.10 (4) (ev) of the statutes; **relating to:** an income tax credit
3 for the moving expenses paid by a business relocating to this state.

Analysis by the Legislative Reference Bureau

This bill creates an income tax credit equal to 50 percent of the amount the taxpayer paid as moving expenses to relocate the taxpayer's business to this state from another state or another country. Only a sole proprietor, partner of a partnership, member of a limited liability company, or shareholder of a tax-option corporation may claim the credit. If the amount of the credit exceeds the taxpayer's tax liability, the taxpayer does not receive a refund, but may claim the amount of any unused credit in the ten taxable years following the taxable year in which the taxpayer first filed a claim.

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.** 71.05 (6) (a) 15. of the statutes, as affected by 2013 Wisconsin Act
5 20, is amended to read:

SENATE BILL 624**SECTION 1**

1 71.05 (6) (a) 15. Except as provided under s. 71.07 (3p) (c) 5., the amount of the
2 credits computed under s. 71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dm), (2dr), (2ds),
3 (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s), (3t), (3w), (4k), (4n), (5e),
4 (5f), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), ~~and (8r)~~, and (9t) and not passed through
5 by a partnership, limited liability company, or tax-option corporation that has added
6 that amount to the partnership's, company's, or tax-option corporation's income
7 under s. 71.21 (4) or 71.34 (1k) (g).

8 **SECTION 2.** 71.07 (9t) of the statutes is created to read:

9 71.07 (9t) RELOCATED BUSINESS MOVING EXPENSES CREDIT. (a) *Definitions.* In this
10 subsection:

11 1. "Claimant" means an individual who files a claim under this subsection.

12 2. "Moving expenses" means the reasonable expenses of moving tangible
13 personal property from a former business location to a new business location and of
14 traveling from the former business location to the new business location, including
15 lodging, but not including meals.

16 3. "Tangible personal property" has the meaning given in s. 77.51 (20).

17 (b) *Filing claims.* Subject to the limitations under this subsection, for taxable
18 years beginning after December 31, 2013, a claimant may claim as a credit against
19 the tax imposed under s. 71.02, up to the amount of the tax, an amount equal to 50
20 percent of the amount the claimant paid in the taxable year as moving expenses to
21 relocate the claimant's business to this state from another state or another country,
22 if the claimant's business moves to this state either 51 percent or more of its
23 workforce payroll or at least \$200,000 of wages, as defined in section 3121 of the
24 Internal Revenue Code, paid to its workforce.

SENATE BILL 624

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

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

11 2. If a credit computed under this subsection is not entirely offset against
12 Wisconsin income taxes otherwise due, the unused balance may be carried forward
13 and credited against Wisconsin income taxes otherwise due for the following 10
14 taxable years to the extent not offset by these taxes otherwise due in all intervening
15 years between the year in which the expense was incurred and the year in which the
16 carry-forward credit is claimed.

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

18 71.10 (4) (ev) Relocated business moving expenses credit under s. 71.07 (9t).

19 **SECTION 4.** 71.21 (4) (a) of the statutes, as affected by 2013 Wisconsin Act 20,
20 is amended to read:

21 71.21 (4) (a) The amount of the credits computed by a partnership under s.
22 71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dm), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p),
23 (3q), (3r), (3rm), (3rn), (3s), (3t), (3w), (4k), (4n), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r),
24 (5rm), (6n), ~~and (8r)~~, and (9t) and passed through to partners shall be added to the
25 partnership's income.

