



State of Wisconsin  
2019 - 2020 LEGISLATURE

LRB-3967/1  
JK:cjs

## 2019 ASSEMBLY BILL 968

February 28, 2020 - Introduced by Representatives C. TAYLOR, STUBBS, EMERSON, HEBL, POPE, SARGENT, ANDERSON, CONSIDINE, BROSTOFF, KOLSTE, HESSELBEIN, OHNSTAD and BOWEN, cosponsored by Senators ERPENBACH, CARPENTER, WIRCH and SMITH. Referred to Committee on Ways and Means.

1     **AN ACT to amend** 71.07 (5n) (d) 2., 71.28 (5n) (d) 2. and 71.28 (5n) (d) 3. a.; and  
2           **to create** 71.07 (5n) (d) 2m. and 71.28 (5n) (d) 2m. of the statutes; **relating to:**  
3           a limitation on the manufacturing component of the manufacturing and  
4           agriculture credit, a onetime increase in aids for special education, and making  
5           an appropriation.

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***Analysis by the Legislative Reference Bureau***

Currently, a person may claim a tax credit on the basis of the person's income from manufacturing or agriculture. This bill limits to \$300,000 the amount of income from manufacturing that a person may use as the basis for claiming the credit.

The bill also requires the Department of Revenue to estimate the increase in revenue in 2021 that results from the changes made in this bill and directs the secretary of the Department of Administration to apply that amount to aid to school districts for special education for the fiscal year beginning July 1, 2021.

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

6           **SECTION 1.** 71.07 (5n) (d) 2. of the statutes is amended to read:

**ASSEMBLY BILL 968****SECTION 1**

1           71.07 (5n) (d) 2. ~~For~~ Except as provided in subd. 2m., for purposes of  
2 determining a claimant's eligible qualified production activities income under this  
3 subsection, the claimant shall multiply the claimant's qualified production activities  
4 income from property manufactured by the claimant by the manufacturing property  
5 factor and qualified production activities income from property produced, grown, or  
6 extracted by the claimant by the agriculture property factor.

7           **SECTION 2.** 71.07 (5n) (d) 2m. of the statutes is created to read:

8           71.07 (5n) (d) 2m. For taxable years beginning after December 31, 2019, for  
9 purposes of determining a claimant's eligible qualified production activities income  
10 from manufacturing under this subsection, the claimant, including a beneficiary or  
11 fiduciary, shall multiply the claimant's qualified production activities income, not  
12 exceeding \$300,000, from property manufactured by the claimant by the  
13 manufacturing property factor.

14           **SECTION 3.** 71.28 (5n) (d) 2. of the statutes is amended to read:

15           71.28 (5n) (d) 2. Except as provided in subd. subds. 2m. and 3., for purposes of  
16 determining a claimant's eligible qualified production activities income under this  
17 subsection, the claimant shall multiply the claimant's qualified production activities  
18 income from property manufactured by the claimant by the manufacturing property  
19 factor and qualified production activities income from property produced, grown, or  
20 extracted by the claimant by the agriculture property factor.

21           **SECTION 4.** 71.28 (5n) (d) 2m. of the statutes is created to read:

22           71.28 (5n) (d) 2m. Except as provided in subd. 3., for taxable years beginning  
23 after December 31, 2019, for purposes of determining a claimant's eligible qualified  
24 production activities income from manufacturing under this subsection, the  
25 claimant shall multiply the claimant's qualified production activities income, not

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1 exceeding \$300,000, from property manufactured by the claimant by the  
2 manufacturing property factor.

3 **SECTION 5.** 71.28 (5n) (d) 3. a. of the statutes is amended to read:

4 71.28 **(5n)** (d) 3. a. The eligible qualified production activities income  
5 determined under subd. 2. or 2m.

6 **SECTION 6. Nonstatutory provisions.**

7 (1) REVENUE FROM MANUFACTURING CREDIT LIMITATION. In 2021, the department  
8 of revenue shall, no earlier than July 1, 2021, and no later than September 1, 2021,  
9 estimate the increase in tax revenue as a result of the modification to the  
10 manufacturing and agriculture credit under this act and certify that amount to the  
11 secretary of administration. In fiscal year 2021-22, the secretary of administration  
12 shall credit that amount to the appropriation account under s. 20.255 (2) (b), and  
13 shall increase the amount in the schedule under s. 20.005 (3) for that appropriation  
14 for that fiscal year by that amount.

15 (END)