

State of Wisconsin



2005 Senate Bill 602

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2005 WISCONSIN ACT 259

AN ACT to amend 73.03 (35), 76.635 (title), 76.67 (2), 560.075 (1), 560.70 (6), 560.70 (7) (a), 560.70 (7) (b), 560.70 (7) (c), 560.75 (8), 560.785 (1) (d), 560.785 (1) (h), 560.795 (3) (d), 560.795 (5) (d), 560.797 (4) (d), 560.797 (4) (g) and 560.798 (4) (b); and to create 76.636 of the statutes; relating to: creating a development zone credit for the license fees paid by certain insurers.

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

SECTION 1. 73.03 (35) of the statutes is amended to read:

73.03 (35) To deny a portion of a credit claimed under s. 71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dm), (2dr), (2ds), or (2dx), 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), or (4) (am), ~~or~~ 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), or (4) (am), or 76.636 if granting the full amount claimed would violate a requirement under s. 560.785 or would bring the total of the credits granted to that claimant under all of those subsections over the limit for that claimant under s. 560.768, 560.795 (2) (b), or 560.797 (5) (b).

SECTION 2. 76.635 (title) of the statutes is amended to read:

76.635 (title) Credit for investment in certified capital companies.

SECTION 3. 76.636 of the statutes is created to read:

76.636 Credit for certain development zone activities. (1) DEFINITIONS. In this section:

(a) "Brownfield" means an industrial or commercial facility in which expansion or redevelopment is complicated by environmental contamination.

(b) "Development zone" means a development zone under s. 560.70, a development opportunity zone under s. 560.795, an enterprise development zone under s. 560.797, or an agricultural development zone under s. 560.798.

(c) "Environmental remediation" means removal or containment of environmental pollution, as defined in s. 299.01 (4), and restoration of soil or groundwater that is affected by environmental pollution, as defined in s. 299.01 (4), in a brownfield if that removal, containment, or restoration fulfills the requirement under s. 71.47 (1de) (a) 1., unless an investigation of the property determines that remediation is required and that remediation is not undertaken.

(d) "Full-time job" means a regular, nonseasonal, full-time position in which an individual, as a condition of employment, is required to work at least 2,080 hours per year, including paid leave and holidays, and for which the individual receives pay that is equal to at least 150 percent of the federal minimum wage and receives benefits that are not required by federal or state law. "Full-time job" does not include initial training before an employment position begins.

(e) "Member of a targeted group" means a person who resides in an area designated by the federal govern-

* Section 991.11, WISCONSIN STATUTES 2003-04 : Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication as designated" by the secretary of state [the date of publication may not be more than 10 working days after the date of enactment].

ment as an economic revitalization area, a person who is employed in an unsubsidized job but meets the eligibility requirements under s. 49.145 (2) and (3) for a Wisconsin Works employment position, a person who is employed in a trial job, as defined in s. 49.141 (1) (n), a person who is eligible for child care assistance under s. 49.155, a person who is a vocational rehabilitation referral, an economically disadvantaged youth, an economically disadvantaged veteran, a supplemental security income recipient, a general assistance recipient, an economically disadvantaged ex-convict, a qualified summer youth employee, as defined in 26 USC 51 (d) (7), a dislocated worker, as defined in 29 USC 2801 (9), or a food stamp recipient, if the person has been certified in the manner under s. 71.47 (1dj) (am) 3. by a designated local agency, as defined in s. 71.47 (1dj) (am) 2.

(2) CREDITS. Except as provided in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which an insurer is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3), 560.797 (4) or 560.798 (3), the insurer may claim as a credit against the fees due under s. 76.60, 76.63, 76.65, 76.66, or 76.67 the following amounts:

(a) Fifty percent of the amount expended for environmental remediation in a development zone.

(b) The amount determined by multiplying the amount determined under s. 560.785 (1) (b) by the number of full-time jobs created in a development zone and filled by a member of a targeted group and by then subtracting the subsidies paid under s. 49.147 (3) (a) for those jobs.

(c) The amount determined by multiplying the amount determined under s. 560.785 (1) (c) by the number of full-time jobs created in a development zone and not filled by a member of a targeted group and by then subtracting the subsidies paid under s. 49.147 (3) (a) for those jobs.

(d) The amount determined by multiplying the amount determined under s. 560.785 (1) (bm) by the number of full-time jobs retained, as provided in the rules under s. 560.785, excluding jobs for which a credit has been claimed under s. 71.47 (1dj), in an enterprise development zone under s. 560.797 and for which significant capital investment was made and by then subtracting the subsidies paid under s. 49.147 (3) (a) for those jobs.

(e) The amount determined by multiplying the amount determined under s. 560.785 (1) (c) by the number of full-time jobs retained, as provided in the rules under s. 560.785, excluding jobs for which a credit has been claimed under s. 71.47 (1dj), in a development zone and not filled by a member of a targeted group and by then subtracting the subsidies paid under s. 49.147 (3) (a) for those jobs.

(3) CARRY-FORWARD. If the credit under sub. (2) is not entirely offset against the fees under s. 76.60, 76.63,

76.65, 76.66, or 76.67 otherwise due, the unused balance may be carried forward and credited against those fees for the following 15 years to the extent that it is not offset by those fees otherwise due in all the years between the year in which the expense was made and the year in which the carry-forward credit is claimed.

(4) CREDIT PRECLUDED. If the certification of a person for tax benefits under s. 560.765 (3), 560.797 (4), or 560.798 (3) is revoked, or if the person becomes ineligible for tax benefits under s. 560.795 (3), that person may not claim credits under this section for the taxable year that includes the day on which the certification is revoked; the taxable year that includes the day on which the person becomes ineligible for tax benefits; or succeeding taxable years and that person may not carry over unused credits from previous years to offset the fees under s. 76.60, 76.63, 76.65, 76.66, or 76.67 for the taxable year that includes the day on which certification is revoked; the taxable year that includes the day on which the person becomes ineligible for tax benefits; or succeeding taxable years.

(5) CARRY-OVER PRECLUDED. If a person who is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3), 560.797 (4), or 560.798 (3) for tax benefits ceases business operations in the development zone during any of the taxable years that that zone exists, that person may not carry over to any taxable year following the year during which operations cease any unused credits from the taxable year during which operations cease or from previous taxable years.

(6) ADMINISTRATION. Any insurer who claims a credit under sub. (2) shall include with the insurer's annual return under s. 76.64 a copy of its certification for tax benefits and a copy of its verification of expenses from the department of commerce.

SECTION 4. 76.67 (2) of the statutes, as affected by 2005 Wisconsin Act 74, is amended to read:

76.67 (2) If any domestic insurer is licensed to transact insurance business in another state, this state may not require similar insurers domiciled in that other state to pay taxes greater in the aggregate than the aggregate amount of taxes that a domestic insurer is required to pay to that other state for the same year less the credits under ss. 76.635, 76.636, and 76.655, except that the amount imposed shall not be less than the total of the amounts due under ss. 76.65 (2) and 601.93 and, if the insurer is subject to s. 76.60, 0.375% of its gross premiums, as calculated under s. 76.62, less offsets allowed under s. 646.51 (7) or under ss. 76.635, 76.636, and 76.655 against that total, and except that the amount imposed shall not be less than the amount due under s. 601.93.

SECTION 5. 560.075 (1) of the statutes, as created by 2005 Wisconsin Act 25, is amended to read:

560.075 (1) In this section, "tax benefits" means the credits under ss. 71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), and (3t), 71.28 (1dd),

(1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (3g), and (3t), ~~and 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (3g), and (3t), and 76.636.~~

SECTION 5m. 560.70 (6) of the statutes is amended to read:

560.70 (6) “Target population” means persons who are members of targeted groups for the purposes of the credit under ss. 71.07 (2dx), 71.28 (1dx) ~~and 71.47 (1dx), and 76.636.~~

SECTION 6. 560.70 (7) (a) of the statutes is amended to read:

560.70 (7) (a) Except as provided in pars. (b) and (c), “tax benefits” means the development zones credit under ss. 71.07 (2dx), 71.28 (1dx), ~~and 71.47 (1dx), and 76.636.~~

SECTION 7. 560.70 (7) (b) of the statutes is amended to read:

560.70 (7) (b) In s. 560.795, “tax benefits” means the development zones investment credit under ss. 71.07 (2di), 71.28 (1di), and 71.47 (1di) and the development zones credit under ss. 71.07 (2dx), 71.28 (1dx), ~~and 71.47 (1dx), and 76.636.~~ With respect to the development opportunity zones under s. 560.795 (1) (e) and (f), “tax benefits” also means the development zones capital investment credit under ss. 71.07 (2dm), 71.28 (1dm), and 71.47 (1dm).

SECTION 8. 560.70 (7) (c) of the statutes is amended to read:

560.70 (7) (c) In s. 560.798, “tax benefits” means the development zones capital investment credit under ss. 71.07 (2dm), 71.28 (1dm), and 71.47 (1dm) and the development zones credits under ss. 71.07 (2dx), 71.28 (1dx), ~~and 71.47 (1dx), and 76.636.~~

SECTION 9. 560.75 (8) of the statutes is amended to read:

560.75 (8) Annually verify information submitted to the department under s. 71.07 (2dx), 71.28 (1dx) ~~or 71.47 (1dx), or 76.636.~~

SECTION 10. 560.785 (1) (d) of the statutes is amended to read:

560.785 (1) (d) Except for a person claiming tax benefits only for environmental remediation under s. 71.07 (2dx) (b) 1., 71.28 (1dx) (b) 1. ~~or 71.47 (1dx) (b) 1., or 76.636,~~ require at least 25% of the tax benefits claimed by a person to be based on creating or retaining full-time jobs.

SECTION 11. 560.785 (1) (h) of the statutes is amended to read:

560.785 (1) (h) Provide that a person’s eligibility to claim tax benefits for environmental remediation under s. 71.07 (2dx) (b) 1., 71.28 (1dx) (b) 1. ~~or 71.47 (1dx) (b) 1., or 76.636~~ is not based on creating or retaining jobs.

SECTION 12. 560.795 (3) (d) of the statutes is amended to read:

560.795 (3) (d) The department annually shall verify information submitted to the department under s. 71.07 (2di), (2dm), or (2dx), 71.28 (1di), (1dm), or (1dx), ~~or 71.47 (1di), (1dm), or (1dx), or 76.636.~~

SECTION 12m. 560.795 (5) (d) of the statutes is amended to read:

560.795 (5) (d) The department annually shall verify information submitted to the department under s. 71.07 (2dm) or (2dx), 71.28 (1dm) or (1dx), ~~or 71.47 (1dm) or (1dx), or 76.636.~~

SECTION 13. 560.797 (4) (d) of the statutes is amended to read:

560.797 (4) (d) The department shall notify the department of revenue of all persons entitled to claim tax benefits under this section, except that the department shall notify the office of the commissioner of insurance of all persons entitled to claim the credit under s. 76.636.

SECTION 14. 560.797 (4) (g) of the statutes is amended to read:

560.797 (4) (g) The department annually shall verify information submitted to the department under s. 71.07 (2dx), 71.28 (1dx) ~~or 71.47 (1dx), or 76.636.~~

SECTION 15. 560.798 (4) (b) of the statutes is amended to read:

560.798 (4) (b) The department shall annually verify information submitted to the department under s. 71.07 (2dm) or (2dx), 71.28 (1dm) or (1dx), ~~or 71.47 (1dm) or (1dx), or 76.636.~~

SECTION 16. Initial applicability.

(1) This act first applies to taxable years beginning on January 1 of the year in which this subsection takes effect, except that if this subsection takes effect after July 31 this act first applies to taxable years beginning on January 1 of the year following the year in which this subsection takes effect.