

# State of Wisconsin



2023 Assembly Bill 627

Date of enactment: **March 21, 2024**

Date of publication\*: **March 22, 2024**

## 2023 WISCONSIN ACT 143

**AN ACT to repeal** 71.07 (3w) (bm) 5. and 71.28 (3w) (bm) 5.; **to renumber and amend** 71.07 (3w) (a) 1., 71.07 (3w) (a) 3., 71.28 (3w) (a) 1., 71.28 (3w) (a) 3., 71.47 (3w) (a) 1., 71.47 (3w) (a) 3., 238.308 (1) and 238.308 (3); **to amend** 71.07 (3w) (a) 6., 71.07 (3y) (a) 2., 71.28 (3w) (a) 6., 71.28 (3y) (a) 2., 71.47 (3w) (a) 6., 71.47 (3y) (a) 2., 238.30 (2m) (a), 238.308 (4) (a) 4., 238.308 (4) (b), 238.308 (5) (a), 238.399 (5) (f) and 238.399 (6) (d); and **to create** 71.07 (3w) (a) 1. b., 71.07 (3w) (a) 3. b., 71.07 (3y) (b) 6., 71.07 (3y) (c) 3., 71.28 (3w) (a) 1. b., 71.28 (3w) (a) 3. b., 71.28 (3y) (b) 6., 71.28 (3y) (c) 3., 71.47 (3w) (a) 1. b., 71.47 (3w) (a) 3. b., 71.47 (3y) (b) 6., 71.47 (3y) (c) 3., 238.308 (1) (b), 238.308 (2) (c), 238.308 (3) (b), 238.308 (4) (a) 6., 238.399 (1) (am) (intro.), 238.399 (1) (ar) and 238.399 (1) (as) of the statutes; **relating to**: various changes to the business development tax credit and the enterprise zone jobs tax credit.

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

**SECTION 1.** 71.07 (3w) (a) 1. of the statutes is renumbered 71.07 (3w) (a) 1. a. and amended to read:

71.07 (3w) (a) 1. a. "Base For taxable years beginning before January 1, 2024, "base year" means the taxable year beginning during the calendar year prior to the calendar year in which the enterprise zone in which the claimant is located takes effect.

**SECTION 2.** 71.07 (3w) (a) 1. b. of the statutes is created to read:

71.07 (3w) (a) 1. b. For taxable years beginning after December 31, 2023, "base year" means the 12-month period immediately preceding the date on which the claimant is certified under s. 238.399 (5).

**SECTION 3.** 71.07 (3w) (a) 3. of the statutes is renumbered 71.07 (3w) (a) 3. a. and amended to read:

71.07 (3w) (a) 3. a. "Full-time For taxable years beginning before January 1, 2024, "full-time employee"

means a full-time employee, as defined in s. 238.399 (1) (am) or s. 560.799 (1) (am), 2009 stats.

**SECTION 4.** 71.07 (3w) (a) 3. b. of the statutes is created to read:

71.07 (3w) (a) 3. b. For taxable years beginning after December 31, 2023, "full-time employee" means a full-time employee, as defined in s. 238.399 (1) (ar).

**SECTION 5.** 71.07 (3w) (a) 6. of the statutes is amended to read:

71.07 (3w) (a) 6. "Zone payroll" means the amount of state payroll that is attributable to wages paid to full-time employees ~~for services that are performed~~ based in an enterprise zone. "Zone payroll" does not include the amount of wages paid to any full-time employees that exceeds \$100,000.

**SECTION 6.** 71.07 (3w) (bm) 5. of the statutes is repealed.

**SECTION 7.** 71.07 (3y) (a) 2. of the statutes is amended to read:

\* Section 991.11, WISCONSIN STATUTES: 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."

71.07 (3y) (a) 2. “Eligible employee” has the meaning given in s. 238.308 (1) (a).

**SECTION 8.** 71.07 (3y) (b) 6. of the statutes is created to read:

71.07 (3y) (b) 6. For taxable years beginning after December 31, 2023, the amount of the investment in workforce housing, as defined in s. 234.66 (1) (i), for employees, not to exceed 15 percent of such investment, and the amount of the investment in establishing an employee child care program for employees, not to exceed 15 percent of such investment, as determined by the Wisconsin Economic Development Corporation.

**SECTION 9.** 71.07 (3y) (c) 3. of the statutes is created to read:

71.07 (3y) (c) 3. No credit may be allowed under par. (b) 4. for any amount of personal property investment or real property investment used to claim a credit under par. (b) 6.

**SECTION 10.** 71.28 (3w) (a) 1. of the statutes is renumbered 71.28 (3w) (a) 1. a. and amended to read:

71.28 (3w) (a) 1. a. “Base For taxable years beginning before January 1, 2024. “base year” means the taxable year beginning during the calendar year prior to the calendar year in which the enterprise zone in which the claimant is located takes effect.

**SECTION 11.** 71.28 (3w) (a) 1. b. of the statutes is created to read:

71.28 (3w) (a) 1. b. For taxable years beginning after December 31, 2023, “base year” means the 12-month period immediately preceding the date on which the claimant is certified under s. 238.399 (5).

**SECTION 12.** 71.28 (3w) (a) 3. of the statutes is renumbered 71.28 (3w) (a) 3. a. and amended to read:

71.28 (3w) (a) 3. a. “Full-time For taxable years beginning before January 1, 2024. “full-time employee” means a full-time employee, as defined in s. 238.399 (1) (am) or s. 560.799 (1) (am), 2009 stats.

**SECTION 13.** 71.28 (3w) (a) 3. b. of the statutes is created to read:

71.28 (3w) (a) 3. b. For taxable years beginning after December 31, 2023, “full-time employee” means a full-time employee, as defined in s. 238.399 (1) (ar).

**SECTION 14.** 71.28 (3w) (a) 6. of the statutes is amended to read:

71.28 (3w) (a) 6. “Zone payroll” means the amount of state payroll that is attributable to wages paid to full-time employees ~~for services that are performed based~~ in an enterprise zone. “Zone payroll” does not include the amount of wages paid to any full-time employees that exceeds \$100,000.

**SECTION 15.** 71.28 (3w) (bm) 5. of the statutes is repealed.

**SECTION 16.** 71.28 (3y) (a) 2. of the statutes is amended to read:

71.28 (3y) (a) 2. “Eligible employee” has the meaning given in s. 238.308 (1) (a).

**SECTION 17.** 71.28 (3y) (b) 6. of the statutes is created to read:

71.28 (3y) (b) 6. For taxable years beginning after December 31, 2023, the amount of the investment in workforce housing, as defined in s. 234.66 (1) (i), for employees, not to exceed 15 percent of such investment, and the amount of the investment made in establishing an employee child care program for employees, not to exceed 15 percent of such investment, as determined by the Wisconsin Economic Development Corporation.

**SECTION 18.** 71.28 (3y) (c) 3. of the statutes is created to read:

71.28 (3y) (c) 3. No credit may be allowed under par. (b) 4. for any amount of personal property investment or real property investment used to claim a credit under par. (b) 6.

**SECTION 19.** 71.47 (3w) (a) 1. of the statutes is renumbered 71.47 (3w) (a) 1. a. and amended to read:

71.47 (3w) (a) 1. a. “Base For taxable years beginning before January 1, 2024. “base year” means the taxable year beginning during the calendar year prior to the calendar year in which the enterprise zone in which the claimant is located takes effect.

**SECTION 20.** 71.47 (3w) (a) 1. b. of the statutes is created to read:

71.47 (3w) (a) 1. b. For taxable years beginning after December 31, 2023, “base year” means the 12-month period immediately preceding the date on which the claimant is certified under s. 238.399 (5).

**SECTION 21.** 71.47 (3w) (a) 3. of the statutes is renumbered 71.47 (3w) (a) 3. a. and amended to read:

71.47 (3w) (a) 3. a. “Full-time For taxable years beginning before January 1, 2024. “full-time employee” means a full-time employee, as defined in s. 238.399 (1) (am) or s. 560.799 (1) (am), 2009 stats.

**SECTION 22.** 71.47 (3w) (a) 3. b. of the statutes is created to read:

71.47 (3w) (a) 3. b. For taxable years beginning after December 31, 2023, “full-time employee” means a full-time employee, as defined in s. 238.399 (1) (ar).

**SECTION 23.** 71.47 (3w) (a) 6. of the statutes is amended to read:

71.47 (3w) (a) 6. “Zone payroll” means the amount of state payroll that is attributable to wages paid to full-time employees ~~for services that are performed based~~ in an enterprise zone. “Zone payroll” does not include the amount of wages paid to any full-time employees that exceeds \$100,000.

**SECTION 24.** 71.47 (3y) (a) 2. of the statutes is amended to read:

71.47 (3y) (a) 2. “Eligible employee” has the meaning given in s. 238.308 (1) (a).

**SECTION 25.** 71.47 (3y) (b) 6. of the statutes is created to read:

71.47 (3y) (b) 6. For taxable years beginning after December 31, 2023, the amount of the investment in

workforce housing, as defined in s. 234.66 (1) (i), for employees, not to exceed 15 percent of such investment, and the amount of the investment made in establishing an employee child care program for employees, not to exceed 15 percent of such investment, as determined by the Wisconsin Economic Development Corporation.

**SECTION 26.** 71.47 (3y) (c) 3. of the statutes is created to read:

71.47 (3y) (c) 3. No credit may be allowed under par. (b) 4. for any amount of personal property investment or real property investment used to claim a credit under par. (b) 6.

**SECTION 27.** 238.30 (2m) (a) of the statutes is amended to read:

238.30 (2m) (a) Except as provided in par. (b) and ss. 238.308 (1) (b) and 238.399 (1) (as), “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 benefits that are not required by federal or state law. “Full-time job” does not include initial training before an employment position begins.

**SECTION 28.** 238.308 (1) of the statutes is renumbered 238.308 (1) (intro) and amended to read:

238.308 (1) DEFINITION DEFINITIONS. (intro.) In this section, “eligible:

(a) “Eligible employee” means a person employed in a full-time job by a person certified under sub. (2).

**SECTION 29.** 238.308 (1) (b) of the statutes is created to read:

238.308 (1) (b) For taxable years beginning after December 31, 2023, “full-time job” means a nonseasonal job for which the annual pay is more than the amount determined by multiplying 2,080 by 150 percent of the federal minimum wage and for which the person is offered retirement, health, and other benefits.

**SECTION 30.** 238.308 (2) (c) of the statutes is created to read:

238.308 (2) (c) The corporation shall approve or deny the certification of a person under par. (a) within 90 days after receiving a person’s application for certification.

**SECTION 31.** 238.308 (3) of the statutes is renumbered 238.308 (3) (a) and amended to read:

238.308 (3) (a) ~~A~~ For taxable years beginning before January 1, 2024, a person is eligible to receive tax benefits if, in each year for which the person claims tax benefits under this section, the person increases net employment in this state in the person’s business above the net employment in this state in the person’s business during the year before the person was certified under sub. (2), as determined by the corporation under its policies and procedures.

**SECTION 32.** 238.308 (3) (b) of the statutes is created to read:

238.308 (3) (b) For taxable years beginning after December 31, 2023, a person is eligible to receive tax benefits if, in each year for which the person claims tax benefits under this section, all of the following conditions are met:

1. The person makes a capital investment in the person’s business, and the person either creates new full-time jobs or retains existing full-time jobs, as determined by the corporation under its policies and procedures.

2. The person does not decrease net employment in this state in the person’s business below the net employment in this state in the person’s business during the year before the person is certified under sub. (2), as determined by the corporation under its policies and procedures.

**SECTION 32m.** 238.308 (4) (a) 4. of the statutes is amended to read:

238.308 (4) (a) 4. An amount equal to up to 3 percent of the person’s personal property investment and up to 5 percent of the person’s real property investment in a capital investment project, if the project involves a total capital investment of at least \$1,000,000 \$250,000 or, if less than \$1,000,000 \$250,000, the project involves a capital investment that is equal to at least \$10,000 per eligible employee employed on the project.

**SECTION 33.** 238.308 (4) (a) 6. of the statutes is created to read:

238.308 (4) (a) 6. For taxable years beginning after December 31, 2023, an amount equal to up to 15 percent of the person’s investment in workforce housing, as defined in s. 234.66 (1) (i), for employees and up to 15 percent of the person’s investment in establishing an employee child care program for employees. Such investments may include only capital expenditures made by the person.

**SECTION 34.** 238.308 (4) (b) of the statutes is amended to read:

238.308 (4) (b) The corporation may allocate up to \$22,000,000 in tax benefits under this section each year. Any unused allocation may be carried forward, including unused allocations from closed awards.

**SECTION 35.** 238.308 (5) (a) of the statutes is amended to read:

238.308 (5) (a) The corporation may require a person to repay any tax benefits the person claims for a year in which the person failed to ~~employ an eligible employee required by an agreement~~ comply with a contract under sub. (2) ~~(b)~~ (a) 2.

**SECTION 36.** 238.399 (1) (am) (intro.) of the statutes is created to read:

238.399 (1) (am) (intro.) For taxable years beginning before January 1, 2024:

SECTION 37. 238.399 (1) (ar) of the statutes is created to read:

238.399 (1) (ar) For taxable years beginning after December 31, 2023, "full-time employee" means an individual employed in a full-time job.

SECTION 38. 238.399 (1) (as) of the statutes is created to read:

238.399 (1) (as) For taxable years beginning after December 31, 2023, "full-time job" means a nonseasonal job for which the annual pay is more than the amount determined by multiplying 2,080 by 150 percent of the federal minimum wage and for which the person is offered retirement, health, and other benefits.

SECTION 39. 238.399 (5) (f) of the statutes is amended to read:

238.399 (5) (f) No For taxable years beginning before January 1, 2024, no more than one financial services technology business that, after completing a com-

petitive corporate relocation process, retains its corporate headquarters in this state and retains at least 93 percent of its full-time employees in this state who were identified as being full-time employees of the business in the base year, as determined by the corporation.

SECTION 40. 238.399 (6) (d) of the statutes is amended to read:

238.399 (6) (d) The corporation may require a business to repay any tax benefits the business claims for a year in which the business failed to ~~maintain employment levels or a significant capital investment in property required by an agreement under sub. (5) (e) comply with an agreement entered into with the corporation.~~

**SECTION 41. Initial applicability.**

(1) The treatment of ss. 71.07 (3w) (a) 6., 71.28 (3w) (a) 6., 71.47 (3w) (a) 6., and 238.308 (4) (a) 4. first applies to taxable years beginning after December 31, 2023.