



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-1005/1
JK&MPG:kjf.md

2011 ASSEMBLY BILL 16

February 4, 2011 - Introduced by Representatives SEIDEL, BARCA, MOLEPSKE JR, TURNER, MILROY, STASKUNAS, FIELDS, PARISI, HINTZ, BERCEAU, BERNARD SCHABER, POPE-ROBERTS and JORGENSEN, cosponsored by Senators HANSEN, HOLPERIN and TAYLOR. Referred to Committee on Jobs, Economy and Small Business.

1 **AN ACT** *to amend* 71.07 (3q) (b) 1., 71.07 (3q) (c) 3., 71.28 (3q) (b) 1., 71.28 (3q)
2 (c) 3., 71.47 (3q) (b) 1., 71.47 (3q) (c) 3., 560.2055 (3) (a) and 560.2055 (3) (b); and
3 **to create** 71.07 (3q) (b) 1m., 71.28 (3q) (b) 1m., 71.47 (3q) (b) 1m. and 560.2055
4 (4) (b) 1m. of the statutes; **relating to:** the jobs tax credit.

Analysis by the Legislative Reference Bureau

Under current law, a person who undertakes certain business activities in this state may claim an income an franchise tax credit (jobs tax credit) in an amount determined by the Department of Commerce (Commerce), not to exceed 10 percent of the wages paid to eligible employees who make at least \$20,000, but no more than \$100,000, in the taxable year. Under this bill, a person may also claim a jobs tax credit in an amount determined by Commerce, not to exceed 5 percent of the wages paid to eligible employees who make more than \$100,000, but no more than \$250,000, in the taxable year.

Under current law, the total amount of credits that may be allocated under the jobs tax credit for the period beginning on January 1, 2010, and ending on June 30, 2013, is \$14,500,000. Under the bill, the total amount of credits that may be allocated under the jobs tax credit for the period beginning on January 1, 2010, and ending on June 30, 2013, is \$20,000,000.

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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.** 71.07 (3q) (b) 1. of the statutes is amended to read:

2 71.07 **(3q)** (b) 1. The amount of wages that the claimant paid to an eligible
3 employee in the taxable year, not to exceed 10 percent of such wages, as determined
4 by the department of commerce under s. 560.2055 (4) (b) 1.

5 **SECTION 2.** 71.07 (3q) (b) 1m. of the statutes is created to read:

6 71.07 **(3q)** (b) 1m. For taxable years beginning after December 31, 2010, the
7 amount of wages that the claimant paid to an eligible employee in the taxable year,
8 not to exceed 5 percent of such wages, as determined by the department of commerce
9 under s. 560.2055 (4) (b) 1m.

10 **SECTION 3.** 71.07 (3q) (c) 3. of the statutes is amended to read:

11 71.07 **(3q)** (c) 3. The maximum amount of credits that may be awarded under
12 this subsection and ss. 71.28 (3q) and 71.47 (3q) for the period beginning on January
13 1, 2010, and ending on June 30, 2013, is ~~\$14,500,000~~ \$20,000,000, not including the
14 amount of any credits reallocated under s. 560.205 (3) (d).

15 **SECTION 4.** 71.28 (3q) (b) 1. of the statutes is amended to read:

16 71.28 **(3q)** (b) 1. The amount of wages that the claimant paid to an eligible
17 employee in the taxable year, not to exceed 10 percent of such wages, as determined
18 by the department of commerce under s. 560.2055 (4) (b) 1.

19 **SECTION 5.** 71.28 (3q) (b) 1m. of the statutes is created to read:

20 71.28 **(3q)** (b) 1m. For taxable years beginning after December 31, 2010, the
21 amount of wages that the claimant paid to an eligible employee in the taxable year,

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1 not to exceed 5 percent of such wages, as determined by the department of commerce
2 under s. 560.2055 (4) (b) 1m.

3 **SECTION 6.** 71.28 (3q) (c) 3. of the statutes is amended to read:

4 71.28 **(3q)** (c) 3. The maximum amount of credits that may be awarded under
5 this subsection and ss. 71.07 (3q) and 71.47 (3q) for the period beginning on January
6 1, 2010, and ending on June 30, 2013, is ~~\$14,500,000~~ \$20,000,000, not including the
7 amount of any credits reallocated under s. 560.205 (3) (d).

8 **SECTION 7.** 71.47 (3q) (b) 1. of the statutes is amended to read:

9 71.47 **(3q)** (b) 1. The amount of wages that the claimant paid to an eligible
10 employee in the taxable year, not to exceed 10 percent of such wages, as determined
11 by the department of commerce under s. 560.2055 (4) (b) 1.

12 **SECTION 8.** 71.47 (3q) (b) 1m. of the statutes is created to read:

13 71.47 **(3q)** (b) 1m. For taxable years beginning after December 31, 2010, the
14 amount of wages that the claimant paid to an eligible employee in the taxable year,
15 not to exceed 5 percent of such wages, as determined by the department of commerce
16 under s. 560.2055 (4) (b) 1m.

17 **SECTION 9.** 71.47 (3q) (c) 3. of the statutes is amended to read:

18 71.47 **(3q)** (c) 3. The maximum amount of credits that may be awarded under
19 this subsection and ss. 71.07 (3q) and 71.28 (3q) for the period beginning on January
20 1, 2010, and ending on June 30, 2013, is ~~\$14,500,000~~ \$20,000,000, not including the
21 amount of any credits reallocated under s. 560.205 (3) (d).

22 **SECTION 10.** 560.2055 (3) (a) of the statutes is amended to read:

23 560.2055 **(3)** (a) In a tier I county or municipality, an eligible employee for
24 whom the person claims a tax credit will earn at least \$20,000 but not more than

