

1999 DRAFTING REQUEST**Bill**Received: **12/4/98**Received By: **shoveme**Wanted: **As time permits**

Identical to LRB:

For: **Terry Musser (608) 266-7461**By/Representing: **Marlene**This file may be shown to any legislator: **NO**Drafter: **shoveme**

May Contact:

Alt. Drafters:

Subject: **Tax - corp. inc. and fran.
Tax - individual income
Tax Credits - miscellaneous**Extra Copies: **JK****Topic:**

Income and franchise tax credit for hiring disabled veterans

Instructions:

Redraft 1997 AB 293 (LRB -0466). Create a refundable tax credit for businesses, sole proprietorships. that hire disabled veterans.

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	shoveme 12/7/98	gilfokm 12/31/98		_____			State
/1			jfrantze 01/7/99	_____	lrb_docadmin 01/7/99	lrb_docadmin 01/15/99	

FE Sent For:

02-02-99

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LEGISLATIVE REFERENCE BUREAU

BILL REQUEST FORM

Legal Section, 5th Floor, 100 N. Hamilton, St.
(608) 266-3561

To: Marc Skowers

Use of this form is optional. It is often helpful to talk directly with the LRB attorney who will draft the bill.
Use this form only for **BILL** drafts. Attach more pages if necessary.

Date of request: <i>12/2 98</i>	Legislator or agency requesting this draft: <i>Rep Musser</i>
Name/phone number of person submitting request: <i>Marlene 6-7461</i>	
Persons to contact for questions about this draft (names and phone numbers please): <i>Marlene 6-7461</i>	
Describe the problem, including any helpful examples. How do you want to solve the problem?	
If you know of any statute sections that might be affected, please list them or provide a marked (not re-typed) copy.	

Please attach a copy of any correspondence or material that may help us. You may also attach a marked (not re-typed) copy of any LRB draft, or provide its number (e.g., 1997 LRB-2345/1 or 1995 AB-67):

Re draft 97-98 AB 293

Requests are confidential unless stated otherwise.

May we tell others that we are working on this for you? YES NO

If yes, anyone who asks? YES NO

Any legislator? YES NO ONLY the following persons:

Do you consider this urgent? YES NO If yes, please indicate why:

Is this request of higher priority than other pending request(s) you have made?

YES NO If yes, please sign your name here:



1997 ASSEMBLY BILL 293

April 17, 1997 – Introduced by Representatives MUSSER, FREESE, RYBA, SERATTI, KREIBICH, DOBYNS, TURNER, GREEN, BOYLE, HUEBSCH, ZUKOWSKI, KAUFERT, PLALE, OWENS, HASENOHRL, OTT, GOETSCH, RILEY and LORGE, cosponsored by Senators WIRCH, BRESKE, WELCH, CLAUSING, BUETTNER and ZIEN. Referred to Committee on Ways and Means.

1 **AN ACT to amend** 71.05 (6) (a) 15., 71.08 (1) (intro.), 71.10 (4) (i), 71.21 (4), 71.26
2 (2) (a), 71.30 (3) (f), 71.34 (1) (g), 71.45 (2) (a) 10., 71.49 (1) (f) and 77.92 (4); and
3 **to create** 20.835 (2) (a), 71.07 (5dv), 71.28 (5dv) and 71.47 (5dv) of the statutes;
4 **relating to:** creating an income tax credit and franchise tax credit for hiring
5 disabled veterans and making an appropriation.

Analysis by the Legislative Reference Bureau

This bill creates an income tax and franchise tax credit for businesses that hire disabled veterans. Sole proprietorships, corporations and insurers may claim the credit. Partnerships, limited liability companies and tax-option corporations compute the credit but pass it on to the partners, members and shareholders in proportion to their ownership interests. The credit, in respect to each disabled veteran who is hired after the bill becomes law, is the veteran's percentage of disability multiplied by the wages or salary paid to the veteran. The credit is refundable (a check will be issued by the state if it exceeds the business' tax liability). The credit is added to the taxpayer's income so that the taxpayer does not get both a business expense deduction and a credit for the wages and salaries paid.

ASSEMBLY BILL 293

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.** 20.835 (2) (a) of the statutes is created to read:

2 20.835 (2) (a) *Disabled veterans hiring credit.* A sum sufficient to make the
3 payments under ss. 71.07 (5dv) (c), 71.28 (5dv) (c) and 71.47 (5dv) (c).

4 **SECTION 2.** 71.05 (6) (a) 15. of the statutes is amended to read:

5 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),
6 (2di), (2dj), (2dL), (2dr) ~~and~~, (2ds) and (5dv) and not passed through by a partnership,
7 limited liability company or tax-option corporation that has added that amount to
8 the partnership's, company's or tax-option corporation's income under s. 71.21 (4) or
9 71.34 (1) (g).

10 **SECTION 3.** 71.07 (5dv) of the statutes is created to read:

11 71.07 (5dv) **DISABLED VETERANS HIRING CREDIT.** (a) In this subsection:

12 1. "Disabled veteran" means a person who is eligible for compensation under
13 38 USC 310.

14 2. "Percentage of disability" means the percentage determined under 38 USC
15 314 (a) to (j).

16 (b) Any person may claim as a credit against taxes due under this subchapter
17 an amount calculated as follows:

18 1. For each disabled veteran whom the person hires after the effective date of
19 this subdivision [revisor inserts date], determine the wages and salary paid.

20 2. Multiply the amount under subd. 1. by the disabled veteran's percentage of
21 disability.

ASSEMBLY BILL 293

1 3. Add the amounts under subd. 2. for all disabled veterans.

2 (c) Except as provided in s. 71.80 (3) and (3m), if the allowable amount of the
3 claim under this subsection exceeds the amount of taxes due under this subchapter,
4 the allowable amount of the claim that is not used to offset taxes shall be certified
5 by the department of revenue to the department of administration for payment by
6 check, share draft or other draft drawn from the appropriation under s. 20.835 (2)
7 (a).

8 (d) Partnerships, limited liability companies and tax-option corporations may
9 not claim the credit under this subsection, but the eligibility for, and the amount of,
10 the credit is based on their payment of wages and salaries. A partnership, limited
11 liability company or corporation shall compute the amount of credit that each of its
12 partners, members or shareholders may claim and shall provide that information to
13 each of them. Partners, members of limited liability companies and shareholders of
14 tax-option corporations may claim the credit in proportion to their ownership
15 interest.

16 (e) Section 71.28 (4) (g) and (h) as it relates to the credit under s. 71.28 (4)
17 relates to the credit under this subsection.

18 **SECTION 4.** 71.08 (1) (intro.) of the statutes is amended to read:

19 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married
20 couple filing jointly, trust or estate under s. 71.02, not considering the credits under
21 ss. 71.07 (1), (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2fd), (3m), (5dv), (6) and (9e),
22 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1fd) ~~and~~ (2m) and (5dv) and 71.47 (1dd),
23 (1de), (1di), (1dj), (1dL), (1ds), (1fd) ~~and~~ (2m) and (5dv) and subchs. VIII and IX and
24 payments to other states under s. 71.07 (7), is less than the tax under this section,

ASSEMBLY BILL 293**SECTION 4**

1 there is imposed on that natural person, married couple filing jointly, trust or estate,
2 instead of the tax under s. 71.02, an alternative minimum tax computed as follows:

3 **SECTION 5.** 71.10 (4) (i) of the statutes is amended to read:

4 71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland
5 preservation credit under subch. IX, homestead credit under subch. VIII, farmland
6 tax relief credit under s. 71.07 (3m), farmers' drought property tax credit under s.
7 71.07 (2fd), earned income tax credit under s. 71.07 (9e), disabled veterans hiring
8 credit under s. 71.07 (5dv), estimated tax payments under s. 71.09, and taxes
9 withheld under subch. X.

10 **SECTION 6.** 71.21 (4) of the statutes is amended to read:

11 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
12 (2dj), (2dL) ~~and~~, (2ds) and (5dv) and passed through to partners or members shall be
13 added to the partnership's or limited liability company's income.

14 **SECTION 7.** 71.26 (2) (a) of the statutes is amended to read:

15 71.26 (2) (a) *Corporations in general.* The "net income" of a corporation means
16 the gross income as computed under the internal revenue code as modified under
17 sub. (3) minus the amount of recapture under s. 71.28 (1di) plus the amount of credit
18 computed under s. 71.28 (1) and (3) to (5) plus the amount of the credit computed
19 under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL) ~~and~~, (1ds) and (5dv) and not passed
20 through by a partnership, limited liability company or tax-option corporation that
21 has added that amount to the partnership's, limited liability company's or tax-option
22 corporation's income under s. 71.21 (4) or 71.34 (1) (g) plus the amount of losses from
23 the sale or other disposition of assets the gain from which would be wholly exempt
24 income, as defined in sub. (3) (L), if the assets were sold or otherwise disposed of at
25 a gain and minus deductions, as computed under the internal revenue code as

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1 modified under sub. (3), plus or minus, as appropriate, an amount equal to the
2 difference between the federal basis and Wisconsin basis of any asset sold,
3 exchanged, abandoned or otherwise disposed of in a taxable transaction during the
4 taxable year, except as provided in par. (b) and s. 71.45 (2) and (5).

5 **SECTION 8.** 71.28 (5dv) of the statutes is created to read:

6 **71.28 (5dv) DISABLED VETERANS HIRING CREDIT.** (a) In this subsection:

7 1. “Disabled veteran” means a person who is eligible for compensation under
8 38 USC 310.

9 2. “Percentage of disability” means the percentage determined under 38 USC
10 314 (a) to (j).

11 (b) Any person may claim as a credit against taxes due under this subchapter
12 an amount calculated as follows:

13 1. For each disabled veteran whom the person hires after the effective date of
14 this subdivision [revisor inserts date], determine the wages and salary paid.

15 2. Multiply the amount under subd. 1. by the disabled veteran’s percentage of
16 disability.

17 3. Add the amounts under subd. 2. for all disabled veterans.

18 (c) If the allowable amount of the claim under this subsection exceeds the
19 amount of taxes due under this subchapter, the allowable amount of the claim that
20 is not used to offset taxes shall be certified by the department of revenue to the
21 department of administration for payment by check, share draft or other draft drawn
22 from the appropriation under s. 20.835 (2) (a).

23 (d) Partnerships, limited liability companies and tax-option corporations may
24 not claim the credit under this subsection, but the eligibility for, and the amount of,
25 the credit is based on their payment of wages and salaries. A partnership, limited

ASSEMBLY BILL 293**SECTION 8**

1 liability company or corporation shall compute the amount of credit that each of its
2 partners, members or shareholders may claim and shall provide that information to
3 each of them. Partners, members of limited liability companies and shareholders of
4 tax-option corporations may claim the credit in proportion to their ownership
5 interest.

6 (e) Subsection (4) (g) and (h) as it relates to the credit under sub. (4) relates to
7 the credit under this subsection.

8 **SECTION 9.** 71.30 (3) (f) of the statutes is amended to read:

9 71.30 (3) (f) The total of farmers' drought property tax credit under s. 71.28
10 (1fd), farmland preservation credit under subch. IX, farmland tax relief credit under
11 s. 71.28 (2m), disabled veterans hiring credit under s. 71.28 (5dv) and estimated tax
12 payments under s. 71.29.

13 **SECTION 10.** 71.34 (1) (g) of the statutes is amended to read:

14 71.34 (1) (g) An addition shall be made for credits computed by a tax-option
15 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL) ~~and~~, (1ds) and (5dv) and
16 passed through to shareholders.

17 **SECTION 11.** 71.45 (2) (a) 10. of the statutes is amended to read:

18 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
19 computed under s. 71.47 (1dd) to (1ds) and (5dv) and not passed through by a
20 partnership, limited liability company or tax-option corporation that has added that
21 amount to the partnership's, limited liability company's or tax-option corporation's
22 income under s. 71.21 (4) or 71.34 (1) (g) and the amount of credit computed under
23 s. 71.47 (1), (3), (4) and (5).

24 **SECTION 12.** 71.47 (5dv) of the statutes is created to read:

25 71.47 (5dv) DISABLED VETERANS HIRING CREDIT. (a) In this subsection:

ASSEMBLY BILL 293

1 1. “Disabled veteran” means a person who is eligible for compensation under
2 38 USC 310.

3 2. “Percentage of disability” means the percentage determined under 38 USC
4 314 (a) to (j).

5 (b) Any person may claim as a credit against taxes due under this subchapter
6 an amount calculated as follows:

7 1. For each disabled veteran whom the person hires after the effective date of
8 this subdivision [revisor inserts date], determine the wages and salary paid.

9 2. Multiply the amount under subd. 1. by the disabled veteran’s percentage of
10 disability.

11 3. Add the amounts under subd. 2. for all disabled veterans.

12 (c) If the allowable amount of the claim under this subsection exceeds the
13 amount of taxes due under this subchapter, the allowable amount of the claim that
14 is not used to offset taxes shall be certified by the department of revenue to the
15 department of administration for payment by check, share draft or other draft drawn
16 from the appropriation under s. 20.835 (2) (a).

17 (d) Partnerships, limited liability companies and tax-option corporations may
18 not claim the credit under this subsection, but the eligibility for, and the amount of,
19 the credit is based on their payment of wages and salaries. A partnership, limited
20 liability company or corporation shall compute the amount of credit that each of its
21 partners, members or shareholders may claim and shall provide that information to
22 each of them. Partners, members of limited liability companies and shareholders of
23 tax-option corporations may claim the credit in proportion to their ownership
24 interest.

ASSEMBLY BILL 293**SECTION 12**

1 (e) Section 71.28 (4) (g) and (h) as it relates to the credit under s. 71.28 (4)
2 relates to the credit under this subsection.

3 **SECTION 13.** 71.49 (1) (f) of the statutes is amended to read:

4 71.49 (1) (f) The total of farmers' drought property tax credit under s. 71.47
5 (1fd), farmland preservation credit under subch. IX, farmland tax relief credit under
6 s. 71.47 (2m), disabled veterans hiring credit under s. 71.47 (5dv) and estimated tax
7 payments under s. 71.48.

8 **SECTION 14.** 77.92 (4) of the statutes is amended to read:

9 77.92 (4) "Net business income", with respect to a partnership or limited
10 liability company, means taxable income as calculated under section 703 of the
11 internal revenue code; plus the items of income and gain under section 702 of the
12 internal revenue code; minus the items of loss and deduction under section 702 of the
13 internal revenue code; plus payments treated as not made to partners under section
14 707 (a) of the internal revenue code; plus the credits claimed under s. 71.07 (2dd),
15 (2de), (2di), (2dj), (2dL), (2dr) ~~and~~, (2ds) and (5dv); but excluding income, gain, loss
16 and deductions from farming. "Net business income", with respect to a natural
17 person, estate or trust, means profit from a trade or business for federal income tax
18 purposes and includes net income derived as an employe as defined in section 3121
19 (d) (3) of the internal revenue code.

20 **SECTION 15. Initial applicability.**

21 (1) This act first applies to taxable years beginning on January 1 of the year
22 in which this subsection takes effect, except that if this subsection takes effect on or
23 after August 1 this act first applies to taxable years beginning on January 1 of the
24 year after the year in which this subsection takes effect.

25

(END)

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1997 ASSEMBLY BILL 293

April 17, 1997 - Introduced by Representatives MUSSER, FREESE, RYBA, SERATTI, KREIBICH, DOBYNS, TURNER, GREEN, BOYLE, HUEBSCH, ZUKOWSKI, KAUFERT, PLALE, OWENS, HASENOHRL, OTT, GOETSCH, RILEY and LORGE, cosponsored by Senators WIRCH, BRESKE, WELCH, CLAUSING, BUETTNER and ZIEN. Referred to Committee on Ways and Means.

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1 AN ACT to amend 71.05 (6) (a) 15., 71.08 (1) (intro.), 71.10 (4) (i), 71.21 (4), 71.26
2 (2) (a), 71.30 (3) (f), 71.34 (1) (g), 71.45 (2) (a) 10., 71.49 (1) (f) and 77.92 (4); and
3 to create 20.835 (2) (a), 71.07 (5dv), 71.28 (5dv) and 71.47 (5dv) of the statutes;
4 relating to: creating an income tax credit and franchise tax credit for hiring
5 disabled veterans and making an appropriation.

Analysis by the Legislative Reference Bureau

This bill creates an income tax and franchise tax credit for businesses that hire disabled veterans. Sole proprietorships, corporations and insurers may claim the credit. Partnerships, limited liability companies and tax-option corporations compute the credit but pass it on to the partners, members and shareholders in proportion to their ownership interests. The credit, in respect to each disabled veteran who is hired after the bill becomes law, is the veteran's percentage of disability multiplied by the wages or salary paid to the veteran. The credit is refundable (a check will be issued by the state if it exceeds the business' tax liability). The credit is added to the taxpayer's income so that the taxpayer does not get both a business expense deduction and a credit for the wages and salaries paid.

the tax credit

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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:

^x
SECTION 1. 20.835 (2) (a) of the statutes is created to read:

20.835 (2) (a) *Disabled veterans hiring credit.* A sum sufficient to make the payments under ss. 71.07 (5dv) (c), 71.28 (5dv) (c) and 71.47 (5dv) (c).

^x
SECTION 2. 71.05 (6) (a) 15. of the statutes is amended to read:

71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dr) ~~and~~ (2ds) ^{(2dt) and (3s)} and (5dv) and not passed through by a partnership, limited liability company or tax-option corporation that has added that amount to the partnership's, company's or tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g).

^x
SECTION 3. 71.07 (5dv) of the statutes is created to read:

71.07 (5dv) DISABLED VETERANS HIRING CREDIT. (a) In this subsection:
^{1. "claimant" means a person who files a claim under this subsection.}

^{2.} "Disabled veteran" means a person who is eligible for compensation under 38 USC 310.

^{3.} "Percentage of disability" means the percentage determined under 38 USC 314 (a) to (j). ^{claimant} ~~subject to the limitations provided in this subsection, a~~ ~~the~~ ~~imposed under s. 71.02~~

(b) ~~any person~~ ^{claimant} may claim as a credit against taxes ~~due~~ ^{imposed} under this subchapter an amount calculated as follows:

1. For each disabled veteran whom the ~~person~~ ^{claimant} hires after the effective date of this subdivision [revisor inserts date], determine the wages and salary paid.

2. Multiply the amount under subd. 1. by the disabled veteran's percentage of disability.

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ASSEMBLY BILL 293

1 3. Add the amounts under subd. 2. for all disabled veterans.

2 (c) ~~Except as provided in s. 71.80 (3) and (3m)~~ if the allowable amount of the
3 claim under this subsection exceeds the ^{income} amount of taxes ^{otherwise} due ^{on the claimant's income,} under this subchapter,
4 the ~~allowable~~ amount of the claim that is not used to offset ^{those} taxes shall be certified
5 by the department of revenue to the department of administration for payment by
6 check, share draft or other draft drawn from the appropriation under s. 20.835 (2)
7 (a).

8 (d) Partnerships, limited liability companies and tax-option corporations may
9 not claim the credit under this subsection, but the eligibility for, and the amount of,
10 the credit is based on their payment of wages and salaries. A partnership, limited
11 liability company or corporation shall compute the amount of credit that each of its
12 partners, members or shareholders may claim and shall provide that information to
13 each of them. Partners, members of limited liability companies and shareholders of
14 tax-option corporations may claim the credit in proportion to their ownership
15 interest.

16 (e) Section 71.28 (4) (g) and (h) as it relates to the credit under s. 71.28 (4)
17 relates to the credit under this subsection.

18 SECTION 4. 71.08 (1) (intro.) of the statutes is amended to read:

19 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married
20 couple filing jointly, trust or estate under s. 71.02, not considering the credits under
21 ss. 71.07 (1), (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2fd), (3m), (3s), (5dv), (6) and (9e),
22 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1fd), (1dx), (2m), (2s), (3), (5dv) and 71.47 (1dd),
23 (1de), (1di), (1dj), (1dL), (1ds), (1fd), (1dx), (2m), (2s), (3) and (5dv) and subchs. VIII and IX and
24 payments to other states under s. 71.07 (7), is less than the tax under this section,

proof in stat.

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SECTION 4

1 there is imposed on that natural person, married couple filing jointly, trust or estate,
2 instead of the tax under s. 71.02, an alternative minimum tax computed as follows:

3 SECTION 5. 71.10^X (4) (i) of the statutes is amended to read:

4 71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland
5 preservation credit under subch. IX, homestead credit under subch. VIII, farmland
6 tax relief credit under s. 71.07 (3m), farmers' drought property tax credit under s.
7 71.07 (2fd), earned income tax credit under s. 71.07 (9e), disabled veterans hiring
8 credit under s. 71.07 (5dv), estimated tax payments under s. 71.09, and taxes
9 withheld under subch. X.

10 SECTION 6. 71.21^X (4) of the statutes is amended to read:

11 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
12 (2dj), (2dL), ~~and (2ds)~~ ^{(2df) and (3s)} and passed through to partners ~~or partners~~ shall be
13 added to the partnership's ~~or limited liability company's~~ ^{income} income.

14 SECTION 7. 71.26^X (2) (a) of the statutes is amended to read:

15 71.26 (2) (a) *Corporations in general.* The "net income" of a corporation means
16 the gross income as computed under the internal revenue code as modified under
17 sub. (3) minus the amount of recapture under s. 71.28 (1di) plus the amount of credit
18 computed under s. 71.28 (1) and (3) to (5) plus the amount of the credit computed
19 under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), ~~and (1ds)~~ ^{and (1dx)} and not passed
20 through by a partnership, limited liability company or tax-option corporation that
21 has added that amount to the partnership's, limited liability company's or tax-option
22 corporation's income under s. 71.21 (4) or 71.34 (1) (g) plus the amount of losses from
23 the sale or other disposition of assets the gain from which would be wholly exempt
24 income, as defined in sub. (3) (L), if the assets were sold or otherwise disposed of at
25 a gain and minus deductions, as computed under the internal revenue code as

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ASSEMBLY BILL 293

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293

1 modified under sub. (3), plus or minus, as appropriate, an amount equal to the
2 difference between the federal basis and Wisconsin basis of any asset sold,
3 exchanged, abandoned or otherwise disposed of in a taxable transaction during the
4 taxable year, except as provided in par. (b) and s. 71.45 (2) and (5).

5 SECTION 8. 71.28[✓] (5dv) of the statutes is created to read:

6 71.28 (5dv) DISABLED VETERANS HIRING CREDIT. (a) In this subsection:
7 1. "Claimant" means a person who files a claim under this subsection,

8 2. "Disabled veteran" means a person who is eligible for compensation under

9 38 USC 310.

10 3. "Percentage of disability" means the percentage determined under 38 USC
11 314 (a) to (j). *Subject to the limitations provided in this subsection,*
12 *a claimant*

13 x (b) ~~Any person~~ may claim as a credit against ~~taxes due~~ *the imposed* under ~~this subchapter~~ *claimant*
14 an amount calculated as follows:

15 1. For each disabled veteran whom the ~~person~~ *claimant* hires after the effective date of
16 this subdivision ... [revisor inserts date], determine the wages and salary paid.

17 2. Multiply the amount under subd. 1. by the disabled veteran's percentage of
18 disability.

19 3. Add the amounts under subd. 2. for all disabled veterans.

20 (c) If the allowable amount of the claim under this subsection exceeds the
21 amount of taxes ^{*otherwise*} due under this subchapter, the allowable amount of the claim that
22 is not used to offset taxes shall be certified by the department of revenue to the
23 department of administration for payment by check, share draft or other draft drawn
24 from the appropriation under s. 20.835[✓] (2) (a).

25 (d) Partnerships, limited liability companies and tax-option corporations may
not claim the credit under this subsection, but the eligibility for, and the amount of,
the credit is based on their payment of wages and salaries. A partnership, limited

ASSEMBLY BILL 293

SECTION 8

1 liability company or corporation shall compute the amount of credit that each of its
2 partners, members or shareholders may claim and shall provide that information to
3 each of them. Partners, members of limited liability companies and shareholders of
4 tax-option corporations may claim the credit in proportion to their ownership
5 interest.

6 (e) Subsection (4) (g) and (h) as it relates to the credit under sub. (4) relates to
7 the credit under this subsection.

8 **SECTION 9.** 71.30 (3) (f) of the statutes is amended to read:

9 71.30 (3) (f) The total of farmers' drought property tax credit under s. 71.28
10 (1fd), farmland preservation credit under subch. IX, farmland tax relief credit under
11 s. 71.28 (2m), disabled veterans hiring credit under s. 71.28 (5dv) and estimated tax
12 payments under s. 71.29.

13 **SECTION 10.** 71.34 (1) (g) of the statutes is amended to read:

14 71.34 (1) (g) An addition shall be made for credits computed by a tax-option
15 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), ~~and~~ (1ds) and (5dv) and ^{(1dx) and (3)}
16 passed through to shareholders.

17 **SECTION 11.** 71.45 (2) (a) 10. of the statutes is amended to read:

18 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
19 computed under s. 71.47 (1dd) to ~~(1da)~~ ^(1dx) and (5dv) and not passed through by a
20 partnership, limited liability company or tax-option corporation that has added that
21 amount to the partnership's, limited liability company's or tax-option corporation's
22 income under s. 71.21 (4) or 71.34 (1) (g) and the amount of credit computed under
23 s. 71.47 (1), (3), (4) and (5).

24 **SECTION 12.** 71.47 (5dv) of the statutes is created to read:

25 71.47 (5dv) **DISABLED VETERANS HIRING CREDIT.** (a) In this subsection:

proposed stat

ASSEMBLY BILL 293

SECTION 12

1. "Claimant" means a person who files a claim under this subsection.

2. "Disabled veteran" means a person who is eligible for compensation under 38 USC 310.

3. "Percentage of disability" means the percentage determined under 38 USC 314 (a) to (j). Subject to the limitations provided in this subsection, a claimant

(b) Any person may claim as a credit against taxes due under this subchapter an amount calculated as follows: A 71.43 the amount imposed

1. For each disabled veteran whom the person hires after the effective date of this subdivision [revisor inserts date], determine the wages and salary paid.

2. Multiply the amount under subd. 1. by the disabled veteran's percentage of disability.

3. Add the amounts under subd. 2. for all disabled veterans.

(c) If the allowable amount of the claim under this subsection exceeds the amount of taxes otherwise due under this subchapter, the allowable amount of the claim that is not used to offset taxes shall be certified by the department of revenue to the department of administration for payment by check, share draft or other draft drawn from the appropriation under s. 20.835 (2) (a).

(d) Partnerships, limited liability companies and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit is based on their payment of wages and salaries. A partnership, limited liability company or corporation shall compute the amount of credit that each of its partners, members or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability companies and shareholders of tax-option corporations may claim the credit in proportion to their ownership interest.

ASSEMBLY BILL 293

SECTION 12

(e) Section 71.28 (4) (g) and (h) as it relates to the credit under s. 71.28 (4) relates to the credit under this subsection.

SECTION 13. 71.49 (1) (f) of the statutes is amended to read:

71.49 (1) (f) The total of farmers' drought property tax credit under s. 71.47 (1fd), farmland preservation credit under subch. IX, farmland tax relief credit under s. 71.47 (2m), disabled veterans hiring credit under s. 71.47 (5dv) and estimated tax payments under s. 71.48.

SECTION 14. 77.92 (4) of the statutes is amended to read:

77.92 (4) "Net business income", with respect to a partnership or limited liability company, means taxable income as calculated under section 703 of the internal revenue code; plus the items of income and gain under section 702 of the internal revenue code; minus the items of loss and deduction under section 702 of the internal revenue code; plus payments treated as not made to partners under section 707 (a) of the internal revenue code; plus the credits claimed under s. 71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dr), and (2ds) and (5dv); but excluding income, gain, loss and deductions from farming. "Net business income", with respect to a natural person, estate or trust, means profit from a trade or business for federal income tax purposes and includes net income derived as an employe as defined in section 3121 (d) (3) of the internal revenue code.

SECTION 15. 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 August 1, this act first applies to taxable years beginning on January 1 of the year after the year in which this subsection takes effect.

(END)

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The attached draft is submitted for your inspection. Please check each part carefully, proofread each word, and sign on the appropriate line(s) below.

Date: 1/7/99

To: Representative Musser

Relating to LRB drafting number: LRB-1127

Topic

Income and franchise tax credit for hiring disabled veterans

Subject(s)

Tax - corp. inc. and fran., Tax - individual income, Tax Credits - miscellaneous

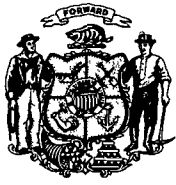
1. **JACKET** the draft for introduction Terry M. Musser
in the **Senate** ____ or the **Assembly** ____ (check only one). Only the requester under whose name the drafting request is entered in the LRB's drafting records may authorize the draft to be submitted. Please allow one day for the preparation of the required copies.

2. **REDRAFT.** See the changes indicated or attached _____.
A revised draft will be submitted for your approval with changes incorporated.

3. Obtain **FISCAL ESTIMATE NOW**, prior to introduction _____.
If the analysis indicates that a fiscal estimate is required because the proposal makes an appropriation or increases or decreases existing appropriations or state or general local government fiscal liability or revenues, you have the option to request the fiscal estimate prior to introduction. If you choose to introduce the proposal without the fiscal estimate, the fiscal estimate will be requested automatically upon introduction. It takes about 10 days to obtain a fiscal estimate. Requesting the fiscal estimate prior to introduction retains your flexibility for possible redrafting of the proposal.

If you have any questions regarding the above procedures, please call 266-3561. If you have any questions relating to the attached draft, please feel free to call me.

Marc E. Shovers, Senior Legislative Attorney
Telephone: (608) 266-0129



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

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MADISON, WI 53701-2037

LEGAL SECTION.
REFERENCE SECTION
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(608) 266-3561
(608) 266-0341
(608) 266-5648

STEPHEN R. MILLER
CHIEF

LRB
2

March 16, 1999

MEMORANDUM

To: Representative Musser

From: Marc E. Shovers, Sr. Legislative Attorney, (608) 266-0129

Subject: Technical Memorandum to **1999 AB 81** (LRB 99-1127/1)

We received the attached technical memorandum relating to your bill. This copy is for your information and your file.

I believe that the changes suggested by the department of revenue should be adopted.

If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

MEMORANDUM

March 12, 1999

TO: Marc Shovers
Legislative Reference Bureau

FROM: Yeang-Eng Braun *YEB*
Department of Revenue

SUBJECT: Technical Memorandum on AB 81 – Income and Franchise Tax Credit for Hiring Disabled Veterans

The definitions of "disabled veteran" in sections 71.07(5dv)(a)2, 71.28(5dv)(a)2 and 71.47(5dv)(a)2 should refer to 38 USC 1110 rather than section 310. Similarly, the definitions of "percentage of disability" in sections 71.07(5dv)(a)3, 71.28(5dv)(a)3, and 71.47(5dv)(a)3 should refer to 38 USC 1114 rather than section 314.

If you have questions regarding this technical memorandum, please contact Pamela Walgren at 266-7817.

YEB:PW:ds
t:\fsn99-00\pw\ab81.tec

CCC
to AB 81

Page 2, line 14: delete "310" and substitute "1110".

Page 2, line 16: delete "314" and substitute "1114".

Page 5, line 10: delete "310" and substitute "1110".

Page 5, line 12: delete "314" and substitute "1114".

Page 7, line 7: delete "310" and substitute "1110".

Page 7, line 9: delete "314" and substitute "1114".

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State of Wisconsin
1999-2000 LEGISLATURE

CORRECTIONS IN:

1999 ASSEMBLY BILL 81

Prepared by the Legislative Reference Bureau
(October 29, 1999)

1. Page 2, line 14: delete "310" and substitute "1110".
2. Page 2, line 16: delete "314" and substitute "1114".
3. Page 5, line 10: delete "310" and substitute "1110".
4. Page 5, line 12: delete "314" and substitute "1114".
5. Page 7, line 7: delete "310" and substitute "1110".
6. Page 7, line 9: delete "314" and substitute "1114".