

1999 DRAFTING REQUEST**Bill**Received: **03/25/1999**Received By: **jkreye**Wanted: **As time permits**

Identical to LRB:

For: **Jeffrey Plale (608) 266-0610**By/Representing: **Traci**

This file may be shown to any legislator: NO

Drafter: **jkreye**

May Contact:

Alt. Drafters:

Subject: **Tax - corp. inc. and fran.**

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

tax credit for businesses that provide a place to express breast milk

Instructions:

See Attached

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>
/1	jkreye 04/08/1999	ygeller 04/09/1999	martykr 04/14/1999	_____	lrb_docadmin 04/14/1999	lrb_docadminState 10/12/1999	

FE Sent For: **10/12/1999.**

<END>

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1?	jkreye	1 4/9 jg	km/4	HH 4 km/4			

FE Sent For:

<END>

7.
Traci
for Jeff Blake - .

tax credits for corporations — place to

"express" milk for breastfeeding purposes

not necessary that children breast-fed or into

need to "express" milk throughout the day

room for that purpose = doesn't need to be
used solely for that purpose

not sure what tax base would be

└ will discuss as work on bill.

4-6-99

spoke with Rep. Hale re tax credit
take a look at Texas language re
action that claimant must take to get credit.

(www.lalcheleague.org)



incorporate some of that language

credit = 50% of amount pd.

not to exceed \$10,000



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-262d

JK:.....

Jlg RMR

gen

1 **AN ACT** ...; **relating to:** an income and franchise tax credit for a business that
2 constructs or equips a facility for its employes to pump and store breast milk.

Analysis by the Legislative Reference Bureau

This bill creates an income tax and franchise tax credit for businesses that construct or equip a facility for an employe to pump and store breast milk during the employe's working hours. 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 is an amount equal to 50% of the amount paid or incurred by a business to construct or equip a facility for an employe to pump and store breast milk during the employe's working hours. The credit may not exceed \$10,000 in a taxable year. If the credit claimed by a business exceeds the business' tax liability, the state will not issue a refund check, but the business may carry forward any remaining credit to subsequent taxable years.

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:

3 SECTION 1. 71.05 (6) (a) 15. of the statutes is amended to read:
4 71.05 (6) (a) 15. The amount of the credits compute; under s. 71.07 (2dd), (2de),
5 (2di), (2dj), (2dL), (2dr), (2ds), (2dx) and (3s) and (5d) and not passed through by a

1 partnership, limited liability company or tax-option corporation that has added that
2 amount to the partnership's, company's or tax-option corporation's income under s.
3 71.21 (4) or 71.34 (1) (g).

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

5 71.07 (5d) **BREAST-MILK FACILITY CREDIT.** (a) In this subsection:

6 1. "Breast-milk facility" means a private location, ~~other than a bathroom,~~ that
7 has a clean water source, a sink and equipment for the pumping and storage of
8 breastmilk, and is used exclusively by a claimant's employes to pump and store
9 breast milk during the employes' working hours.

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

11 (b) A claimant may claim as a credit against the tax imposed under s. 71.02 an
12 amount equal to 50% of the amount paid or incurred by the claimant to construct or
13 equip a breast-milk facility, except that the credit shall not exceed \$10,000 in a
14 taxable year.

15 (c) The carry-over provisions of s. 71.28 (4) (e) and (f), as they apply to the credit
16 under s. 71.28 (4), apply to the credit under this subsection.

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 are based on the amount paid or incurred under par. (b). A partnership,
20 limited liability company or tax-option corporation shall compute the amount of
21 credit that each of its partners, members or shareholders may claim and shall
22 provide that information to each of them. Partners, members of limited liability
23 companies and shareholders of tax-option corporations may claim the credit in
24 proportion to their ownership interest.

1 (e) Section 71.28 (4) [✓](g) and (h), as it applies to the credit under s. 71.28 (4),
 2 applies to the credit under this subsection.

3 **SECTION 3.** 71.08 (1) (intro.) of the statutes is amended to read:

4 71.08 (1) **IMPOSITION.** (intro.) If the tax imposed on a natural person, married
 5 couple filing jointly, trust or estate under s. 71.02, not considering the credits under
 6 ss. 71.07 (l), (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2fd), (3m), (3s), [✓](5d),
 7 (6) and (9e), 71.28 (l), (ld), (ldi), (ldj), (1dL), (Ids), (ldx), (lfd), (2m) ~~and~~, (3) ~~and~~
 8 [✓](5d) and 71.47 (l), (1de), (1di), (ldj), (1dL), (Ids), (1dx), (lfd), (2m) ~~and~~, (3) [✓]and (5d)
 9 and subchs. VIII and IX and payments to other states under s. 71.07 (7), is less than
 10 the tax under this section, there is imposed on that natural person, married couple
 11 filing jointly, trust or estate, instead of the tax under s. 71.02, an alternative
 12 minimum tax computed as follows:

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

14 71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland
 15 preservation credit under subch. IX, homestead credit under subch. VIII, farmland
 16 tax relief credit under s. 71.07 (3m), farmers' drought property tax credit under s.
 17 71.07 (2fd), ~~breast-milk facilities~~ ^{facilities} credit under s. 71.07 (5d), earned income tax credit
 18 under s. 71.07 (9e), estimated tax payments under s. 71.09, and taxes withheld under
 19 subch. X.

20 **SECTION 5.** 71.21 (4) of the statutes is amended to read:

21 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
 22 (2dj), (2dL), (2ds), (2dx) ~~and~~, (3s) ~~and~~ [✓](5d) and passed through to partners shall be
 23 added to the partnership's income.

24 **SECTION 6.** 71.26 (2) (a) of the statutes is amended to read:

1 71.26 (2) (a) *Corporations in general.* The “net income” of a corporation means
 2 the gross income as computed under the internal revenue code as modified under
 3 sub. (3) minus the amount of recapture under s. 71.28 (ldi) plus the amount of credit
 4 computed under s. 71.28 (1) and (3) to (5) plus the amount of the credit computed
 5 under s. 71.28 (ldd), (lde), (1di), (ldj), (1dL), (Ids) ~~and~~, (ldx) and (5d) and not passed
 6 through by a partnership, limited liability company or tax-option corporation that
 7 has added that amount to the partnership’s, limited liability company’s or tax-option
 8 corporation’s income under s. 71.21 (4) or 71.34 (1) (g) plus the amount of losses from
 9 the sale or other disposition of assets the gain from which would be wholly exempt
 10 income, as defined in sub. (3) (L), if the assets were sold or otherwise disposed of at
 11 a gain and minus deductions, as computed under the internal revenue code as
 12 modified under sub. (3), plus or minus, as appropriate, an amount equal to the
 13 difference between the federal basis and Wisconsin basis of any asset sold,
 14 exchanged, abandoned or otherwise disposed of in a taxable transaction during the
 15 taxable year, except as provided in par. (b) and s. 71.45 (2) and (5).

16 **SECTION 7.** 71.28 (5d) of the statutes is created to read:

17 71.28 (5d) **BREAST-MILK FACILITY CREDIT.** [✓](a) In this subsection: [✓]

18 1. “Breast-milk facility” means a private location, ~~other than a bathroom,~~ that
 19 has a clean water source, a sink and equipment for the pumping and storage of
 20 breast ~~o~~ milk, and is used exclusively by a claimant’s employees to pump and store
 21 breast milk during the employees’ working hours.

22 2. “Claimant” means a person who files a claim under this subsection.

23 (b) A claimant may claim as a credit against the tax imposed under s. 71.23 [✓] an
 24 amount equal to 50% of the amount paid or incurred by the claimant to construct or

1 equip a breast-milk facility, except that the credit shall not exceed \$10,000 in a
2 taxable year.

3 (c) The carry-over provisions of sub. (4) (e) and (f), as they apply to the credit
4 under sub. (4), apply to the credit under this subsection.

5 (d) Partnerships, limited liability companies and tax-option corporations may
6 not claim the credit under this subsection, but the eligibility for, and the amount of,
7 the credit are based on the amount paid or incurred under [✓]par. (b). A partnership,
8 limited liability company or tax-option corporation shall compute the amount of
9 credit that each of its partners, members or shareholders may claim and shall
10 provide that information to each of them. Partners, members of limited liability
11 companies and shareholders of tax-option corporations may claim the credit in
12 proportion to their ownership interest.

13 (e) Subsection [✓](4) (g) and (h), as it applies to the credit under sub. (4), applies
14 to the credit under this subsection.

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

16 71.30 (3) (f) The total of farmers' drought property tax credit under s. 71.28
17 (lfd), farmland preservation credit under subch. IX, farmland tax relief credit under
18 s. 71.28 (2m), breast-milk ^{facility} ~~facilities~~ credit under s. 71.28 (5d) [✓] and estimated tax
19 payments under s. 71.29.

20 SECTION 9. 71.34 (1) (g) of the statutes is amended to read:

21 71.34 (1) (g) An addition shall be made for credits computed by a tax-option
22 corporation under s. 71.28 (ldd), (lde), (1di), (ldj), (1dL), (Ids), (ldx) ~~and~~, (3) [✓]and (5d)
23 and passed through to shareholders.

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

1 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
 2 computed under s. 71.47 (l) to (l) and (5d) and not passed through by a
 3 partnership, limited liability company or tax-option corporation that has added that
 4 amount to the partnership's, limited liability company's or tax-option corporation's
 5 income under s. 71.21 (4) or 71.34 (1) (g) and the amount of credit computed under
 6 s. 71.47 (1), (3), (4) and (5).

7 SECTION 11. 71.47 (5d) of the statutes is created to read:

8 71.47 (5d) BREAST-MILK ^{FACILITY} ~~FACILITIES~~ CREDIT. (a) In this subsection:

9 1. "Breast-milk facility" means a private location, ~~other than a bathroom,~~
 10 has a clean water source, a sink and equipment for the pumping and storage of
 11 ^A breast milk, and is used exclusively by a claimant's employees to pump and store
 12 breast milk during the employees' working hours.

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

14 (b) A claimant may claim as a credit against the tax imposed under s. 71.43 an
 15 amount equal to 50% of the amount paid or incurred by the claimant to construct or
 16 equip a breast-milk facility, except that the credit shall not exceed \$10,000 in a
 17 taxable year.

18 (c) The carry-over provisions of s. 71.28 (4) (e) and (f), as they apply to the credit
 19 under s. 71.28 (4), apply to the credit under this subsection.

20 (d) Partnerships, limited liability companies and tax-option corporations may
 21 not claim the credit under this subsection, but the eligibility for, and the amount of,
 22 the credit are based on the amount paid or incurred under par. (b). A partnership,
 23 limited liability company or tax-option corporation shall compute the amount of
 24 credit that each of its partners, members or shareholders may claim and shall
 25 provide that information to each of them. Partners, members of limited liability

1 companies and shareholders of tax-option corporations may claim the credit in
2 proportion to their ownership interest.

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

5 **SECTION 12.** 71.49 (1) (f) of the statutes is amended to read:

6 71.49 (1) (f) The total of farmers' drought property tax credit under s. 71.47
7 (lfd), farmland preservation credit under subch. IX, farmland tax relief credit under
8 s. 71.47 (2m), ~~breast-milk facilities~~^{facilities} credit under s. 71.47 (5d) ✓ and estimated tax
9 payments under s. 71.48.

10 **SECTION 13.** 77.92 (4) of the statutes is amended to read:

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

22 **SECTION 14. Initial applicability.**

23 (1) BREAST-MILK ~~FACILITIES~~^{FACILITIES} CREDIT. This act first applies to taxable years
24 beginning on January 1 of the year in which this subsection takes effect, except that
25 if this subsection takes effect after July 31 this act first applies to taxable years

1 beginning on January 1 of the year **after** the year in which this subsection takes
2 effect.

3 **(END)**

**SUBMITTAL
FORM**

**LEGISLATIVE REFERENCE BUREAU
Legal Section Telephone: 266-3561
5th Floor, 100 N. Hamilton Street**

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: 4/14/99

To: Representative Plale

Relating to LRB drafting number: LRB-2621

Topic

tax credit for businesses that provide a place to express breast milk

Subject(s)

Tax - corp. inc. and fran.

1. **JACKET** the draft for introduction _____

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.

Joseph T. Kreye, Legislative Attorney
Telephone: (608) 266-2263



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

100 NORTH HAMILTON STREET
P. O. BOX 2037
MADISON, WI 53701-2037

LEGALSECTION (608) 266-3561
REFERENCESECTION (608) 266-0341
FAX (608) 266-5648

STEPHEN R MILLER
CHIEF

LRB
2

December 9, 1999

MEMORANDUM

To: Representative Plale

From: Joseph T. Kreye, Legislative Attorney, (608) 266-2263

Subject: Technical Memorandum to **1999 AB 556** (LRB 99-2621/1)

We received the attached technical memorandum relating to your bill. This copy is for your information and your file. If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

7 . . .

MEMORANDUM

December 8, 1999

TO: Joseph Kreye
Legislative Reference Bureau

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

SUBJECT: Technical Memorandum on LRB 2621/1: Income and Franchise Tax Credit for Businesses that Construct and Equip a Facility for Breast Milk Pumping and Storage

The proposed legislation makes no provision for the funding of the costs involved in administering the activities required. If the author wishes to provide funding, appropriation language could be developed and costs allocated in the following manner:

	<u>Chapter 20</u>	<u>Amount</u>	<u>FTE</u>
one-time	s. 20.566 (1) (a)	\$94,500	
annual	s. 20.566 (1) (a)	\$3,000	

If you have any questions regarding these administrative costs, please contact Pat Lashore at 266-3347.

YEB:PW:skr
t:\fsn99-00\lrb26211 .tec