

2001 DRAFTING REQUEST

Bill

Received: **09/05/2000**

Received By: **jkreye**

Wanted: **As time permits**

Identical to LRB: **ASA1 to AB244**

For: **Scott Jensen (608) 266-3387**

By/Representing: **r.j. pirlot**

This file may be shown to any legislator: **NO**

Drafter: **jkreye**

May Contact:

Alt. Drafters:

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

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

Education tax credit

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 09/06/2000	csicilia 09/11/2000	jfrantze 09/12/2000	_____	lrb_docadmin 09/12/2000		State
	jkreye 11/14/2000	csicilia 11/15/2000		_____			
/2	jkreye 11/16/2000	csicilia 11/17/2000	pgreensl 11/16/2000	_____	lrb_docadmin 11/16/2000		State
/3			pgreensl 11/20/2000	_____	lrb_docadmin 11/20/2000	lrb_docadminState 02/05/2001	

FE Sent For: **01/11/2001.**

(1/3) ← sent early

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/3			pgreensl 11/20/2000	_____	lrb_docadmin 11/20/2000		State

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→ (01-11-01)
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1/3 jjs 11/17/00
11/17 PG

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/1	jkreye 09/06/2000	csicilia 09/11/2000	jfrantze 09/12/2000	11/16 PS/16	lrb_docadmin 09/12/2000		State

1/2 cjs 11/15
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11/15
pg

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1/?	jkreye	1 cjs 9/11 00	9/12	9/12			

FE Sent For:

<END>

Kreye, Joseph

From: Pirlot, R.J.
Sent: Tuesday, September 05, 2000 2:42 PM
To: Kreye, Joseph
Subject: drafting request

Joe,

Please have 1999 AB 244 (as amended by ASA 1) redrafted for introduction in the 2001 session. Please don't hesitate to contact me if you have any questions.

R.J. Pirlot
Policy Director and Legal Counsel
Office of Assembly Speaker Scott R. Jensen

Direct: 608-261-9482
Fax: 608-266-5123



RMK

cjs

in 9-6-00

WPO: proof w/ folio as indicated below

WPO: please watch for inserted commas (5) and inserted scored commas (3)

per

1 AN ACT ...; relating to: an education tax credit for businesses.

Analysis by the Legislative Reference Bureau

This bill creates an income tax and franchise tax credit for businesses that pay tuition for an individual to attend a university, college, or technical college if the individual is enrolled in a degree-granting program. 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 tuition paid by a business for an individual to attend school 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.

business's

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:

2 SECTION 1. 71.05 (6) (a) 15. of the statutes is amended to read:

3 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),
4 (2di), (2dj), (2dL), (2dr), (2ds), (2dx) and, (3s) and (5r) and not passed through by a
5 partnership, limited liability company, or tax-option corporation that has added that

proof w/ folio

WPO: underscored commas

1 amount to the partnership's, company's, or tax-option corporation's income under s.
 2 71.21 (4) or 71.34 (1) (g). *WFO: underscored comma*

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

4 **71.07 (5r) EDUCATION CREDIT.** (a) In this subsection:

5 1. "Claimant" means a sole proprietor, a partner, a member of a limited liability
 6 company, or a shareholder of a tax-option corporation who files a claim under this
 7 subsection.

8 2. "Degree-granting program" means an educational program for which an
 9 associate, a bachelor's, or a graduate degree is awarded upon successful completion.

10 3. "Family member" has the meaning given in s. 157.061 (7).

11 4. "Managing employee" means an individual who wholly or partially exercises
 12 operational or managerial control over, or who directly or indirectly conducts, the
 13 operation of the claimant's business.

14 5. "Qualified postsecondary institution" means a University of Wisconsin
 15 System institution, a technical college system institution, or a regionally accredited
 16 4-year nonprofit college or university having its regional headquarters and principal
 17 place of business in this state, notwithstanding s. 16.973 (1) (b).

18 (b) Subject to the limitations provided in this subsection, a claimant may claim
 19 as a credit against the tax imposed under s. 71.02 an amount equal to 50% of the
 20 tuition that the claimant paid or incurred during the taxable year for an individual
 21 to participate in an education program of a qualified postsecondary institution, if the
 22 individual *was* enrolled in a degree-granting program.

23 (c) A claimant may not claim the credit under par. (b) for any tuition amounts
 24 that the claimant excluded under s. 71.05 (6) (b) 28. or under section 127 of the
 25 Internal Revenue Code.

*Proof
w/
Polio*

1 (cm) A claimant may not claim the credit under par. (b) for any tuition amounts
2 that the claimant paid or incurred for a family member of the claimant or for a family
3 member of a managing employee unless all of the following apply:

4 1. The family member was employed an average of at least 20 hours a week as
5 an employee of the claimant, or the claimant's business, during the one-year period
6 prior to commencing participation in the education program ~~for~~ which the claimant
7 claims a credit under par. (b). *in connection with*

8 2. The family member is enrolled in a degree-granting program that is
9 substantially related to the claimant's business.

10 3. The family member is making satisfactory progress towards completing the
11 degree-granting program under subd. 2.

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

14 (e) Partnerships, limited liability companies and tax-option corporations may
15 not claim the credit under this subsection, but the eligibility for, and the amount of,
16 the credit are based on their payment of tuition under par. (b). A partnership, limited
17 liability company or tax-option corporation shall compute the amount of credit that
18 each of its partners, members or shareholders may claim and shall provide that
19 information to each of them. Partners, members of limited liability companies and
20 shareholders of tax-option corporations may claim the credit in proportion to their
21 ownership interest.

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

24 SECTION 3. 71.10 (4) (cd) of the statutes is created to read:

25 71.10 (4) (cd) The education credit under s. 71.07 (5r).

1 SECTION 4. 71.21 (4) of the statutes is amended to read:

2 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
3 (2dj), (2dL), (2ds), (2dx) and, (3s) and (5r) and passed through to partners shall be
4 added to the partnership's income.

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5 SECTION 5. 71.26 (2) (a) of the statutes is amended to read:

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

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21 SECTION 6. 71.28 (5r) of the statutes is created to read:

22 71.28 (5r) EDUCATION CREDIT. (a) In this subsection:

- 23 1. "Claimant" means a corporation that files a claim under this subsection.
- 24 2. "Degree-granting program" means an education program for which an
- 25 associate, a bachelor's, or a graduate degree is awarded upon successful completion.

1 3. "Family member" has the meaning given in s. 157.061 (7). ✓

2 4. "Managing employee" means an individual who wholly or partially exercises
3 operational or managerial control over, or who directly or indirectly conducts, the
4 operation of the claimant's business.

5 5. "Qualified postsecondary institution" means a University of Wisconsin
6 System institution, a technical college system institution, or a regionally accredited
7 4-year nonprofit college or university having its regional headquarters and principal
8 place of business in this state, notwithstanding s. 16.973 (1) (b).

9 (b) Subject to the limitations provided in this subsection, a claimant may claim
10 as a credit against the tax imposed under s. 71.23 an amount equal to 50% of the
11 tuition that the claimant paid or incurred during the taxable year for an individual
12 to participate in an education program of a qualified postsecondary institution, if the
13 individual ^{was} enrolled in a degree-granting program. ✓

14 (c) A claimant may not claim the credit under par. (b) for any tuition amounts
15 that the claimant has excluded ~~under s. 71.05 (6) (b) 23 or~~ under section 127 of the
16 Internal Revenue Code. ✓

17 (cm) A claimant may not claim the credit under par. (b) for any tuition amounts
18 that the claimant paid or incurred ~~for a family member of the claimant or for a family~~
19 member of a managing employee unless all of the following apply: ✓

20 1. The family member was employed an average of at least 20 hours a week as
21 an employee of the claimant, or the claimant's business, during the one-year period
22 prior to commencing participation in the education program ~~for~~ which the claimant
23 claims a credit under par. (b). *in connection with*

24 2. The family member is enrolled in a degree-granting program that is
25 substantially related to the claimant's business.

1 3. The family member is making satisfactory progress towards completing the
2 degree-granting program under subd. 2.

3 (d) 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 (e) 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 their payment of tuition under par. (b). A partnership, limited
8 liability company, or tax-option corporation shall compute the amount of credit that
9 each of its partners, members, or shareholders may claim and shall provide that
10 information to each of them. Partners, members of limited liability companies, and
11 shareholders of tax-option corporations may claim the credit in proportion to their
12 ownership interest.

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

15 SECTION 7. 71.30 (3) (dm) of the statutes is created to read:

16 71.30 (3) (dm) The education credit under s. 71.28 (5r).

17 SECTION 8. 71.34 (1) (g) of the statutes is amended to read:

18 71.34 (1) (g) An addition shall be made for credits computed by a tax-option
19 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx) and, (3) and (5r)
20 and passed through to shareholders.

21 SECTION 9. 71.45 (2) (a) 10. of the statutes is amended to read:

22 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
23 computed under s. 71.47 (1dd) to (1dx) and (5r) and not passed through by a
24 partnership, limited liability company, or tax-option corporation that has added that
25 amount to the partnership's, limited liability company's, or tax-option corporation's

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1 income under s. 71.21 (4) or 71.34 (1) (g) and the amount of credit computed under
2 s. 71.47 (1), (3), (4) and (5). *WFO: underscored
comma*

3 SECTION 10. 71.47 (5r) of the statutes is created to read:

4 71.47 (5r) EDUCATION CREDIT. (a) In this subsection:

5 1. "Claimant" means a corporation that files a claim under this subsection.

6 2. "Degree-granting program" means an educational program for which an
7 associate, a bachelor's or a graduate degree is awarded upon successful completion.

8 3. "Family member" has the meaning given in s. 157.061 (7). ✓

9 4. "Managing employee" means an individual who wholly or partially exercises
10 operational or managerial control over, or who directly or indirectly conducts, the
11 operation of the claimant's business. ✓

12 5. "Qualified postsecondary institution" means a University of Wisconsin
13 System institution, a technical college system institution, or a regionally accredited
14 4-year nonprofit college or university having its regional headquarters and principal
15 place of business in this state, notwithstanding s. 16.973 (1) (b) ✓

16 (b) Subject to the limitations provided in this subsection, a claimant may claim
17 as a credit against the tax imposed under s. 71.43 an amount equal to 50% of the
18 tuition that the claimant paid or incurred during the taxable year for an individual
19 to participate in an education program of a qualified postsecondary institution, if the
20 individual ^{was} enrolled in a degree-granting program. ✓

21 (c) A claimant may not claim the credit under par. (b) for any tuition amounts
22 that the claimant excluded ~~under s. 71.05 (6) (b) or~~ under section 127 of the
23 Internal Revenue Code.

1 (cm) A claimant may not claim the credit under par. (b) for any tuition amounts
2 that the claimant paid or incurred ~~for a family member of the claimant or~~ for a family
3 member of a managing employee unless all of the following apply:

4 1. The family member was employed an average of at least 20 hours a week as
5 an employee of the claimant, or the claimant's business, during the one-year period
6 prior to commencing participation in the education program ~~for~~ which the claimant
7 claims a credit under par. (b). *in connection with*

8 2. The family member is enrolled in a degree-granting program that is
9 substantially related to the claimant's business.

10 3. The family member is making satisfactory progress towards completing the
11 degree-granting program under subd. 2.

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

14 (e) Partnerships, limited liability companies, and tax-option corporations may
15 not claim the credit under this subsection, but the eligibility for, and the amount of,
16 the credit are based on their payment of tuition under par. (b). A partnership, limited
17 liability company, or tax-option corporation shall compute the amount of credit that
18 each of its partners, members, or shareholders may claim and shall provide that
19 information to each of them. Partners, members of limited liability companies, and
20 shareholders of tax-option corporations may claim the credit in proportion to their
21 ownership interest.

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

24 **SECTION 11.** 71.49 (1) (dm) of the statutes is created to read:

25 71.49 (1) (dm) The education credit under s. 71.47 (5r). ✓

1 SECTION 12. 77.92 (4) of the statutes, as affected by 1999 Wisconsin Act 9, is
2 amended to read:

3 77.92 (4) "Net business income", with respect to a partnership, means taxable
4 income as calculated under section 703 of the Internal Revenue Code; plus the items
5 of income and gain under section 702 of the Internal Revenue Code, including taxable
6 state and municipal bond interest and excluding nontaxable interest income or
7 dividend income from federal government obligations; minus the items of loss and
8 deduction under section 702 of the Internal Revenue Code, except items that are not
9 deductible under s. 71.21; plus guaranteed payments to partners under section 707
10 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),
11 (2di), (2dj), (2dL), (2dr), (2ds), (2dx) and, (3s) and (5r); and plus or minus, as
12 appropriate, transitional adjustments, depreciation differences and basis
13 differences under s. 71.05 (13), (15), (16), (17) and (19); but excluding income, gain,
14 loss and deductions from farming. "Net business income", with respect to a natural
15 person, estate or trust, means profit from a trade or business for federal income tax
16 purposes and includes net income derived as an employe as defined in section 3121
17 (d) (3) of the Internal Revenue Code.

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18 SECTION 13. Initial applicability.

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

23 (END)

Kreye, Joseph

From: Pirlot, R.J.
Sent: Tuesday, November 14, 2000 12:27 PM
To: Kreye, Joseph
Subject: LRB 0103

Joe,

Thanks for getting LRB 0103/1 (education tax credit businesses) to us so quickly.

Jensen would like to make the following changes:

1. Increase the credit to 75% of the tuition paid by a business if the individual for whom tuition is paid, in the year prior to commencing participation in the education program for which a credit is claimed, is at or below 185% of the federal poverty level.
2. Add to the definition of "Qualified postsecondary institution", this language at the end of that definition (after the word "state"): "or a degree-granting program of a school approved under s.45.54 provided that the school has a physical presence and the delivery of education occurs in this state."

Please don't hesitate to contact me if you have any questions, comments, etc.

R.J. Pirlot

Policy Director and Legal Counsel
Office of Assembly Speaker Scott R. Jensen

Direct: 608-261-9482
Fax: 608-266-5123



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-0103/1

JK:cjs:jf

2001 BILL

11-14-00

SOON

1 AN ACT to amend 71.05 (6) (a) 15., 71.21 (4), 71.26 (2) (a), 71.34 (1) (g), 71.45 (2)
2 (a) 10. and 77.92 (4); and to create 71.07 (5r), 71.10 (4) (cd), 71.28 (5r), 71.30
3 (3) (dm), 71.47 (5r) and 71.49 (1) (dm) of the statutes; relating to: an education
4 tax credit for businesses.

Analysis by the Legislative Reference Bureau

This bill creates an income tax and franchise tax credit for businesses that pay tuition for an individual to attend a university, college, or technical college if the individual is enrolled in a degree-granting program. 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 20% of the tuition paid by a business for an individual to attend school in a taxable year. If the credit claimed by a business exceeds the business's 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:

and if individual's taxable income is not more than 185% of the federal poverty line

BILL

SECTION 1

§ 5. "Poverty line" has the meaning given under s. 49.001(5).

1 **SECTION 1.** 71.05 (6) (a) 15. of the statutes is amended to read:

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

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

8 71.07 (5r) EDUCATION CREDIT. (a) In this subsection:

9 1. "Claimant" means a sole proprietor, a partner, a member of a limited liability
10 company, or a shareholder of a tax-option corporation who files a claim under this
11 subsection.

12 2. "Degree-granting program" means an educational program for which an
13 associate, a bachelor's, or a graduate degree is awarded upon successful completion.

14 3. "Family member" has the meaning given in s. 157.061 (7).

15 4. "Managing employee" means an individual who wholly or partially exercises
16 operational or managerial control over, or who directly or indirectly conducts, the
17 operation of the claimant's business.

all of the following: 7 a.

18 5. "Qualified postsecondary institution" means A University of Wisconsin
19 System institution, a technical college system institution, or a regionally accredited
20 4-year nonprofit college or university having its regional headquarters and principal
21 place of business in this state.

22 (b) Subject to the limitations provided in this subsection, a claimant may claim
23 as a credit against the tax imposed under s. 71.02 an amount equal to ~~40~~ 75% of the
24 tuition that the claimant paid or incurred during the taxable year for an individual

7 B. A school approved under s. 45.54, if the school has a physical presence, and the delivery of education occurs, in this state.

BILL

and if the individual's taxable income in the year prior to commencing participation in the education program for which a credit is claimed is not more than 185% of the poverty line

1 to participate in an education program of a qualified postsecondary institution, if the
2 individual was enrolled in a degree-granting program.

3 (c) A claimant may not claim the credit under par. (b) for any tuition amounts
4 that the claimant excluded under s. 71.05 (6) (b) 28. or under section 127 of the
5 Internal Revenue Code.

6 (cm) A claimant may not claim the credit under par. (b) for any tuition amounts
7 that the claimant paid or incurred for a family member of the claimant or for a family
8 member of a managing employee unless all of the following apply:

9 1. The family member was employed an average of at least 20 hours a week as
10 an employee of the claimant, or the claimant's business, during the one-year period
11 prior to commencing participation in the education program in connection with
12 which the claimant claims a credit under par. (b).

13 2. The family member is enrolled in a degree-granting program that is
14 substantially related to the claimant's business.

15 3. The family member is making satisfactory progress towards completing the
16 degree-granting program under subd. 2.

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

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

BILL**SECTION 2**

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

3 (f) 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 3.** 71.10 (4) (cd) of the statutes is created to read:

6 71.10 (4) (cd) The education credit under s. 71.07 (5r).

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

8 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
9 (2dj), (2dL), (2ds), (2dx) ~~and, (3s), and (5r)~~ and passed through to partners shall be
10 added to the partnership's income.

11 **SECTION 5.** 71.26 (2) (a) of the statutes is amended to read:

12 71.26 (2) (a) *Corporations in general.* The "net income" of a corporation means
13 the gross income as computed under the internal revenue code as modified under
14 sub. (3) minus the amount of recapture under s. 71.28 (1di) plus the amount of credit
15 computed under s. 71.28 (1) and (3) to (5) plus the amount of the credit computed
16 under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds) ~~and, (1dx), and (5r)~~ and not passed
17 through by a partnership, limited liability company, or tax-option corporation that
18 has added that amount to the partnership's, limited liability company's, or
19 tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g) plus the amount
20 of losses from the sale or other disposition of assets the gain from which would be
21 wholly exempt income, as defined in sub. (3) (L), if the assets were sold or otherwise
22 disposed of at a gain and minus deductions, as computed under the internal revenue
23 code as modified under sub. (3), plus or minus, as appropriate, an amount equal to
24 the difference between the federal basis and Wisconsin basis of any asset sold,

BILL

5. "Poverty line" has the meaning given under s. 49.001(5).

1 exchanged, abandoned, or otherwise disposed of in a taxable transaction during the
2 taxable year, except as provided in par. (b) and s. 71.45 (2) and (5).

3 **SECTION 6.** 71.28 (5r) of the statutes is created to read:

4 **71.28 (5r) EDUCATION CREDIT.** (a) In this subsection:

5 1. "Claimant" means a corporation that files a claim under this subsection.

6 2. "Degree-granting program" means an education program for which an
7 associate, a bachelor's, or a graduate degree is awarded upon successful completion.

8 3. "Family member" has the meaning given in s. 157.061 (7).

9 4. "Managing employee" means an individual who wholly or partially exercises
10 operational or managerial control over, or who directly or indirectly conducts, the
11 operation of the claimant's business.

all of the following: A.

12 **6.** "Qualified postsecondary institution" means a ^A University of Wisconsin
13 System institution, a technical college system institution, or a regionally accredited
14 4-year nonprofit college or university having its regional headquarters and principal
15 place of business in this state.

16 (b) Subject to the limitations provided in this subsection, a claimant may claim
17 as a credit against the tax imposed under s. 71.23 an amount equal to ~~50%~~ ⁷⁵ of the
18 tuition that the claimant paid or incurred during the taxable year for an individual
19 to participate in an education program of a qualified postsecondary institution, if the
20 individual was enrolled in a degree-granting program.

21 (c) A claimant may not claim the credit under par. (b) for any tuition amounts
22 that the claimant has excluded under section 127 of the Internal Revenue Code.

23 (cm) A claimant may not claim the credit under par. (b) for any tuition amounts
24 that the claimant paid or incurred for a family member of a managing employee
25 unless all of the following apply:

and if the individual's taxable income in the year prior to commencing participation in the education program for which a credit is claimed is not more than 185% of the poverty line

b. A school approved under s. 45.54, if the school has a physical presence, and the delivery of education occurs, in this state.

BILL**SECTION 6**

1 1. The family member was employed an average of at least 20 hours a week as
2 an employee of the claimant, or the claimant's business, during the one-year period
3 prior to commencing participation in the education program in connection with
4 which the claimant claims a credit under par. (b).

5 2. The family member is enrolled in a degree-granting program that is
6 substantially related to the claimant's business.

7 3. The family member is making satisfactory progress towards completing the
8 degree-granting program under subd. 2.

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

11 (e) Partnerships, limited liability companies, and tax-option corporations may
12 not claim the credit under this subsection, but the eligibility for, and the amount of,
13 the credit are based on their payment of tuition under par. (b). A partnership, limited
14 liability company, or tax-option corporation shall compute the amount of credit that
15 each of its partners, members, or shareholders may claim and shall provide that
16 information to each of them. Partners, members of limited liability companies, and
17 shareholders of tax-option corporations may claim the credit in proportion to their
18 ownership interest.

19 (f) Subsection (4) (g) and (h), as it applies to the credit under sub. (4), applies
20 to the credit under this subsection.

21 **SECTION 7.** 71.30 (3) (dm) of the statutes is created to read:

22 71.30 (3) (dm) The education credit under s. 71.28 (5r).

23 **SECTION 8.** 71.34 (1) (g) of the statutes is amended to read:

BILL #5. "loventy line" has the meaning given under s. 49.001(5).

1 71.34 (1) (g) An addition shall be made for credits computed by a tax-option
2 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx) and, (3), and
3 (5r) and passed through to shareholders.

4 **SECTION 9.** 71.45 (2) (a) 10. of the statutes is amended to read:

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

11 **SECTION 10.** 71.47 (5r) of the statutes is created to read:

12 71.47 (5r) EDUCATION CREDIT. (a) In this subsection:

- 13 1. "Claimant" means a corporation that files a claim under this subsection.
- 14 2. "Degree-granting program" means an educational program for which an
- 15 associate, a bachelor's, or a graduate degree is awarded upon successful completion.
- 16 3. "Family member" has the meaning given in s. 157.061 (7).
- 17 4. "Managing employee" means an individual who wholly or partially exercises
- 18 operational or managerial control over, or who directly or indirectly conducts, the
- 19 operation of the claimant's business.

all of the following: #a.

- 20 6 5. "Qualified postsecondary institution" means a University of Wisconsin
21 System institution, a technical college system institution, or a regionally accredited
22 4 year nonprofit college or university having its regional headquarters and principal
23 place of business in this state.

24 (b) Subject to the limitations provided in this subsection, a claimant may claim
25 as a credit against the tax imposed under s. 71.43 an amount equal to 50% of the

7 b. A school approved under s. 45.54, if the school has a physical presence, and the delivery of education occurs, in this state.

BILL

1 tuition that the claimant paid or incurred during the taxable year for an individual
2 to participate in an education program of a qualified postsecondary institution, if the
3 individual was enrolled in a degree-granting program.

4 (c) A claimant may not claim the credit under par. (b) for any tuition amounts
5 that the claimant excluded under section 127 of the Internal Revenue Code.

6 (cm) A claimant may not claim the credit under par. (b) for any tuition amounts
7 that the claimant paid or incurred for a family member of a managing employee
8 unless all of the following apply:

9 1. The family member was employed an average of at least 20 hours a week as
10 an employee of the claimant, or the claimant's business, during the one-year period
11 prior to commencing participation in the education program in connection with
12 which the claimant claims a credit under par. (b).

13 2. The family member is enrolled in a degree-granting program that is
14 substantially related to the claimant's business.

15 3. The family member is making satisfactory progress towards completing the
16 degree-granting program under subd. 2.

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

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

*and if the individual's taxable income in the year prior to
commencing participation in the education program for which a credit
is claimed is not more than 185% of the poverty line*

BILL

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

3 (f) 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 11.** 71.49 (1) (dm) of the statutes is created to read:

6 71.49 (1) (dm) The education credit under s. 71.47 (5r).

7 **SECTION 12.** 77.92 (4) of the statutes is amended to read:

8 77.92 (4) “Net business income”, with respect to a partnership, means taxable
9 income as calculated under section 703 of the Internal Revenue Code; plus the items
10 of income and gain under section 702 of the Internal Revenue Code, including taxable
11 state and municipal bond interest and excluding nontaxable interest income or
12 dividend income from federal government obligations; minus the items of loss and
13 deduction under section 702 of the Internal Revenue Code, except items that are not
14 deductible under s. 71.21; plus guaranteed payments to partners under section 707
15 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),
16 (2di), (2dj), (2dI), (2dr), (2ds), (2dx) ~~and~~, (3s), and (5r); and plus or minus, as
17 appropriate, transitional adjustments, depreciation differences, and basis
18 differences under s. 71.05 (13), (15), (16), (17), and (19); but excluding income, gain,
19 loss, and deductions from farming. “Net business income”, with respect to a natural
20 person, estate, or trust, means profit from a trade or business for federal income tax
21 purposes and includes net income derived as an employee as defined in section 3121
22 (d) (3) of the Internal Revenue Code.

23 **SECTION 13. Initial applicability.**

24 (1) EDUCATION CREDIT. This act first applies to taxable years beginning on
25 January 1 of the year in which this subsection takes effect, except that if this

BILL

1 subsection takes effect after July 31 this act first applies to taxable years beginning
2 on January 1 of the year following the year in which this subsection takes effect.

3 (END)

RS

11-16-00

1) credit 50% — retain

2) credit 75% — to low income

(2 different amounts)

(redraft 01-0103/2)



2001 BILL

insert

in 11-16-00

500N

program

if the individual is enrolled in a degree-granting program and if the individual's taxable income is not more than 185% of the federal poverty line

1 AN ACT to amend 71.05 (6) (a) 15., 71.21 (4), 71.26 (2) (a), 71.34 (1) (g), 71.45 (2)

2 (a) 10. and 77.92 (4); and to create 71.07 (5r), 71.10 (4) (cd), 71.28 (5r), 71.30

3 (3) (dm), 71.47 (5r) and 71.49 (1) (dm) of the statutes; relating to: an education

4 tax credit for businesses.

Analysis by the Legislative Reference Bureau

This bill creates an income tax and franchise tax credit for businesses that pay tuition for an individual to attend a university, college, or technical college ~~if the individual is enrolled in a degree-granting program and if the individual's taxable income is not more than 185% of the federal poverty line.~~ 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 75% of the tuition paid by a business for an individual to attend school in a taxable year.
- If the credit claimed by a business exceeds the business's 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:

- 1) 50% of the tuition paid by a business for an individual to attend school in a taxable year, if the individual is enrolled in a degree-granting program; and 2)

seventy five percent

50 percent

BILL**SECTION 1**

1 **SECTION 1.** 71.05 (6) (a) 15. of the statutes is amended to read:

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

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

8 71.07 (5r) EDUCATION CREDIT. (a) In this subsection:

9 1. "Claimant" means a sole proprietor, a partner, a member of a limited liability
10 company, or a shareholder of a tax-option corporation who files a claim under this
11 subsection.

12 2. "Degree-granting program" means an educational program for which an
13 associate, a bachelor's, or a graduate degree is awarded upon successful completion.

14 3. "Family member" has the meaning given in s. 157.061 (7).

15 4. "Managing employee" means an individual who wholly or partially exercises
16 operational or managerial control over, or who directly or indirectly conducts, the
17 operation of the claimant's business.

18 5. "Poverty line" has the meaning given under s. 49.001 (5).

19 6. "Qualified postsecondary institution" means all of the following:

20 a. A University of Wisconsin System institution, a technical college system
21 institution, or a regionally accredited 4-year nonprofit college or university having
22 its regional headquarters and principal place of business in this state.

23 b. A school approved under s. 45.54, if the school has a physical presence, and
24 the delivery of education occurs, in this state.

BILL

1 (b) Subject to the limitations provided in this subsection, a claimant may claim
 2 as a credit against the tax imposed under s. 71.02 an amount equal to 75% of the
 3 tuition that the claimant paid or incurred during the taxable year for an individual
 4 to participate in an education program of a qualified postsecondary institution, if the
 5 individual was enrolled in a degree-granting program and if the individual's taxable
 6 income in the year prior to commencing participation in the education program ~~for~~
 7 which a credit is claimed is not more than 185% of the poverty line.

8 (c) A claimant may not claim the credit under par. (b) for any tuition amounts
 9 that the claimant excluded under s. 71.05 (6) (b) 28. or under section 127 of the
 10 Internal Revenue Code.

11 (cm) A claimant may not claim the credit under par. (b) for any tuition amounts
 12 that the claimant paid or incurred for a family member of the claimant or for a family
 13 member of a managing employee unless all of the following apply:

14 1. The family member was employed an average of at least 20 hours a week as
 15 an employee of the claimant, or the claimant's business, during the one-year period
 16 prior to commencing participation in the education program in connection with
 17 which the claimant claims a credit under par. (b).

18 2. The family member is enrolled in a degree-granting program that is
 19 substantially related to the claimant's business.

20 3. The family member is making satisfactory progress towards completing the
 21 degree-granting program under subd. 2.

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

24 (e) Partnerships, limited liability companies, and tax-option corporations may
 25 not claim the credit under this subsection, but the eligibility for, and the amount of,

INSERT A

Seventy Five Percent

in connection with

BILL**SECTION 2**

1 the credit are based on their payment of tuition under par. (b). A partnership, limited
2 liability company, or tax-option corporation shall compute the amount of credit that
3 each of its partners, members, or shareholders may claim and shall provide that
4 information to each of them. Partners, members of limited liability companies, and
5 shareholders of tax-option corporations may claim the credit in proportion to their
6 ownership interest.

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

9 **SECTION 3.** 71.10 (4) (cd) of the statutes is created to read:

10 71.10 (4) (cd) The education credit under s. 71.07 (5r).

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

12 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
13 (2dj), (2dL), (2ds), (2dx) ~~and, (3s), and (5r)~~ and passed through to partners shall be
14 added to the partnership's income.

15 **SECTION 5.** 71.26 (2) (a) of the statutes is amended to read:

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

BILL

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

SECTION 6. 71.28 (5r) of the statutes is created to read:

71.28 (5r) EDUCATION CREDIT. (a) In this subsection:

1. "Claimant" means a corporation that files a claim under this subsection.

2. "Degree-granting program" means an education program for which an
associate, a bachelor's, or a graduate degree is awarded upon successful completion.

3. "Family member" has the meaning given in s. 157.061 (7).

4. "Managing employee" means an individual who wholly or partially exercises
operational or managerial control over, or who directly or indirectly conducts, the
operation of the claimant's business.

5. "Poverty line" has the meaning given under s. 49.001 (5).

6. "Qualified postsecondary institution" means all of the following:

a. A University of Wisconsin System institution, a technical college system
institution, or a regionally accredited 4-year nonprofit college or university having
its regional headquarters and principal place of business in this state.

b. A school approved under s. 45.54, if the school has a physical presence, and
the delivery of education occurs, in this state.

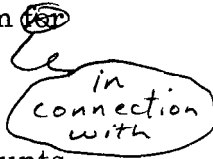
(b) Subject to the limitations provided in this subsection, a claimant may claim
as a credit against the tax imposed under s. 71.23 an amount equal to 75% of the
tuition that the claimant paid or incurred during the taxable year for an individual
to participate in an education program of a qualified postsecondary institution, if the

INSERT A

23

Seventy five percent

BILL

1 individual was enrolled in a degree-granting program and if the individual's taxable
2 income in the year prior to commencing participation in the education program ~~for~~
3 which a credit is claimed is not more than 185% of the poverty line. 

4 (c) A claimant may not claim the credit under par. (b) for any tuition amounts
5 that the claimant has excluded under section 127 of the Internal Revenue Code.

6 (cm) A claimant may not claim the credit under par. (b) for any tuition amounts
7 that the claimant paid or incurred for a family member of a managing employee
8 unless all of the following apply:

9 1. The family member was employed an average of at least 20 hours a week as
10 an employee of the claimant, or the claimant's business, during the one-year period
11 prior to commencing participation in the education program in connection with
12 which the claimant claims a credit under par. (b).

13 2. The family member is enrolled in a degree-granting program that is
14 substantially related to the claimant's business.

15 3. The family member is making satisfactory progress towards completing the
16 degree-granting program under subd. 2.

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

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

BILL

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

3 (f) Subsection (4) (g) and (h), as it applies to the credit under sub. (4), applies
4 to the credit under this subsection.

5 **SECTION 7.** 71.30 (3) (dm) of the statutes is created to read:

6 71.30 (3) (dm) The education credit under s. 71.28 (5r).

7 **SECTION 8.** 71.34 (1) (g) of the statutes is amended to read:

8 71.34 (1) (g) An addition shall be made for credits computed by a tax-option
9 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx) ~~and, (3), and~~
10 (5r) and passed through to shareholders.

11 **SECTION 9.** 71.45 (2) (a) 10. of the statutes is amended to read:

12 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
13 computed under s. 71.47 (1dd) to (1dx) and (5r) and not passed through by a
14 partnership, limited liability company, or tax-option corporation that has added that
15 amount to the partnership's, limited liability company's, or tax-option corporation's
16 income under s. 71.21 (4) or 71.34 (1) (g) and the amount of credit computed under
17 s. 71.47 (1), (3), (4), and (5).

18 **SECTION 10.** 71.47 (5r) of the statutes is created to read:

19 71.47 (5r) EDUCATION CREDIT. (a) In this subsection:

- 20 1. "Claimant" means a corporation that files a claim under this subsection.
- 21 2. "Degree-granting program" means an educational program for which an
22 associate, a bachelor's, or a graduate degree is awarded upon successful completion.
- 23 3. "Family member" has the meaning given in s. 157.061 (7).

BILL

1 4. "Managing employee" means an individual who wholly or partially exercises
2 operational or managerial control over, or who directly or indirectly conducts, the
3 operation of the claimant's business.

4 5. "Poverty line" has the meaning given under s. 49.001 (5).

5 6. "Qualified postsecondary institution" means all of the following:

6 a. A University of Wisconsin System institution, a technical college system
7 institution, or a regionally accredited 4-year nonprofit college or university having
8 its regional headquarters and principal place of business in this state.

9 b. A school approved under s. 45.54, if the school has a physical presence, and
10 the delivery of education occurs, in this state.

11 (b) Subject to the limitations provided in this subsection, a claimant may claim
12 as a credit against the tax imposed under s. 71.43 an amount equal to ~~75%~~ of the
13 tuition that the claimant paid or incurred during the taxable year for an individual
14 to participate in an education program of a qualified postsecondary institution, if the Seventy five percent
15 individual was enrolled in a degree-granting program and if the individual's taxable
16 income in the year prior to commencing participation in the education program ~~is~~
17 which a credit is claimed is not more than 185% of the poverty line.

18 (c) A claimant may not claim the credit under par. (b) for any tuition amounts
19 that the claimant excluded under section 127 of the Internal Revenue Code.

20 (cm) A claimant may not claim the credit under par. (b) for any tuition amounts
21 that the claimant paid or incurred for a family member of a managing employee
22 unless all of the following apply:

23 1. The family member was employed an average of at least 20 hours a week as
24 an employee of the claimant, or the claimant's business, during the one-year period

INSERT A

Seventy five percent

in connection with

BILL

1 prior to commencing participation in the education program in connection with
2 which the claimant claims a credit under par. (b).

3 2. The family member is enrolled in a degree-granting program that is
4 substantially related to the claimant's business.

5 3. The family member is making satisfactory progress towards completing the
6 degree-granting program under subd. 2.

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

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

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

19 **SECTION 11.** 71.49 (1) (dm) of the statutes is created to read:

20 71.49 (1) (dm) The education credit under s. 71.47 (5r).

21 **SECTION 12.** 77.92 (4) of the statutes is amended to read:

22 77.92 (4) "Net business income", with respect to a partnership, means taxable
23 income as calculated under section 703 of the Internal Revenue Code; plus the items
24 of income and gain under section 702 of the Internal Revenue Code, including taxable
25 state and municipal bond interest and excluding nontaxable interest income or

BILL**SECTION 12**

1 dividend income from federal government obligations; minus the items of loss and
2 deduction under section 702 of the Internal Revenue Code, except items that are not
3 deductible under s. 71.21; plus guaranteed payments to partners under section 707
4 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),
5 (2di), (2dj), (2dL), (2dr), (2ds), (2dx) ~~and~~, (3s), ~~and~~ (5r); and plus or minus, as
6 appropriate, transitional adjustments, depreciation differences, and basis
7 differences under s. 71.05 (13), (15), (16), (17), and (19); but excluding income, gain,
8 loss, and deductions from farming. “Net business income”, with respect to a natural
9 person, estate, or trust, means profit from a trade or business for federal income tax
10 purposes and includes net income derived as an employe as defined in section 3121
11 (d) (3) of the Internal Revenue Code.

12 **SECTION 13. Initial applicability.**

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

17 (END)

INSERT A

no 97

the following:

Fifty percent

9 ~~1~~ 50% of the tuition that the claimant paid

1. or incurred during the taxable year for an individual to participate in an education program of a qualified postsecondary institution, if the individual was enrolled in a degree-granting program.

9 ~~1~~ 2.

End of insert A

Barman, Mike

From: Kreye, Joseph
Sent: Thursday, January 11, 2001 8:51 AM
To: Barman, Mike
Subject: FW:

Hi Mike,
Would you put in the request for this please. Thanks.

Joseph T. Kreye, Legislative Attorney
Legislative Reference Bureau
(608) 266-2263
joseph.kreye@legis.state.wi.us

-----Original Message-----

From: Pirlot, R.J.
Sent: Thursday, January 11, 2001 8:15 AM
To: Kreye, Joseph
Subject:

Joe,

Speaker Jensen would like a preliminary fiscal estimate prepared for LRB 0103/3, education tax credit for businesses.

Thank you,

R.J. Pirlot
Policy Director and Legal Counsel
Office of Assembly Speaker Scott R. Jensen

Direct: 608-261-9482
Fax: 608-266-5123



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

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

LEGAL SECTION: (608) 266-3561
REFERENCE SECTION: (608) 266-0341
FAX: (608) 266-5648

STEPHEN R. MILLER
CHIEF

February 1, 2001

MEMORANDUM

To: Representative Jensen

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

Subject: Technical Memorandum to **2001 (un-introduced)** (LRB 01-0103/3)

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.

MEMORANDUM

January 29, 2001

TO: Joseph Kreye
Legislative Reference Bureau

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

SUBJECT: Technical Memorandum on LRB 0103/3: Income and Franchise Tax Credit for Businesses that Pay Tuition Expenses

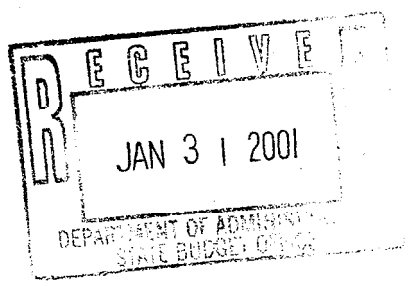
The draft provides for a credit equal to 75% of eligible tuition expenses if the individual's taxable income is not more than 185% of the poverty line. This would force employers to require personal information from employees about their income and their spouse's income that could create legal and administrative problems for employers to comply with the law.

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)	\$102,500	
Annual	s. 20.566(1)(a)	52,400	1.0

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

YEB:PW:ds
I:\fsn01-02\pw\lrb01033.fsn



Smith, Irma

From: Kreye, Joseph
Sent: Monday, February 05, 2001 9:10 AM
To: Smith, Irma
Subject: FW: request

Hi Irma,
Would you please take care of the following request from Jensen's office? Thanks.
Joe

Joseph T. Kreye, Legislative Attorney
Legislative Reference Bureau
(608) 266-2263
joseph.kreye@legis.state.wi.us

-----Original Message-----

From: Pirlot, R.J.
Sent: Monday, February 05, 2001 9:07 AM
To: Kreye, Joseph
Subject: request

Joe,

Please jacket LRB-0103/3, relating to an education tax credit for businesses, for introduction as an Assembly bill.

R.J. PIRLOT
POLICY DIRECTOR AND LEGAL COUNSEL
OFFICE OF ASSEMBLY SPEAKER SCOTT R. JENSEN

DIRECT: 608-261-9482
FAX: 608-266-5123

Memo

Attached is a fiscal estimate prepared for a draft that has not yet been introduced.

LRB Number: LRB 01 - 0103

Version: "13"

Requested By: Jensen

Entered In Computer And Copy Sent To Requestor:

02 / 01 / 01

e-mailed
to R.J.
03-20-01

Fiscal Estimate Prepared By: (agency abbr.) DOR

To: LRB – Legal Section PA's

Subject: Fiscal Estimate Received For A Un-Introduced Draft

- If this is **re-drafted** to a new version please attach this early fiscal estimate to the back of the draft's file between the old version and the new version.
- If this draft gets **introduced** ... and the version of the attached fiscal estimate is correct ... please write the drafts intro. number below and give this fiscal estimate to Mike (or Landon) to process.

THIS DRAFT WAS INTRODUCED AS: 2001 AB-320

- If this draft gets **introduced** ... and the version of the attached fiscal estimate is for a previous version ... please attach this early fiscal estimate to the back of the draft's file between the old version and the new version ... and get the ball rolling on getting a fiscal estimate prepared for the introduced version.

LRB - 0103/3

JK"

CCC to AB320

✘. Page 3, line 12: delete "Seventy Five"
and substitute "Seventy-five".

✘. Page 6, line 13: delete "Seventy Five"
and substitute "Seventy-five".

✘. Page 9, line 5: delete "Seventy Five"
and substitute "Seventy-five".

cj's



State of Wisconsin
2001-2002 LEGISLATURE

CORRECTIONS IN:

2001 ASSEMBLY BILL 320

Prepared by the Legislative Reference Bureau
(April 25, 2001)

1. Page 3, line 12: delete "Seventy five" and substitute "Seventy-five".
2. Page 6, line 13: delete "Seventy five" and substitute "Seventy-five".
3. Page 9, line 5: delete "Seventy five" and substitute "Seventy-five".