



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-3327/P*

GMM/JK/PG/ML/PK/PH/IR/MD:cs:pg

Friday
NOON

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RMR

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

Regenerate

1 **AN ACT** *to renumber* 120.13 (17) (title); *to renumber and amend* 120.13 (17)
2 and 343.10 (6); *to amend* 20.445 (3) (md), 49.1475, 71.05 (6) (a) 15., 71.08 (1)
3 (intro.), 71.21 (4), 71.26 (2) (a), 71.28 (1dx) (b) 1., 71.34 (1) (g), 71.45 (2) (a) 10.,
4 77.92 (4), 119.04 (1), 119.70 (5), 343.10 (1) (a) and 560.797 (4) (f); and *to create*
5 15.227 (14), 20.292 (1) (kd), 20.445 (1) (d), 36.11 (1) (cg), 38.14 (2) (e), 38.34,
6 49.175 (1) (zp), 71.07 (5d), 71.07 (5r), 71.07 (5v), 71.10 (4) (cd), 71.10 (4) (cp),
7 71.10 (4) (k), 71.28 (1dx) (b) 1m., 71.28 (1dx) (f), 71.28 (5d), 71.28 (5r), 71.28 (5v),
8 71.30 (3) (dg), 71.30 (3) (dm), 71.30 (3) (g), 71.47 (5d), 71.47 (5r), 71.47 (5v), 71.49
9 (1) (dg), 71.49 (1) (dm), 71.49 (1) (g), 106.01 (12), 106.01 (13), 106.175, 106.18,
10 118.115 (2), 343.10 (6) (b) and 560.157 of the statutes; **relating to:** special
11 labor-related reports; training, education, and development zone tax credits;

1 training and education programs; providing an exemption from emergency rule
2 procedures; granting rule-making authority; and making appropriations.

Analysis by the Legislative Reference Bureau

This bill is explained in the NOTES provided by the joint legislative council in the bill.

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:

PREFATORY NOTE: This bill was prepared for the joint legislative council's special committee on labor shortage. The bill makes numerous changes to current law in a variety of subject matters. Among other things, the bill does the following:

SPECIAL LABOR-RELATED REPORTS

Labor Day Report

The bill requires the department of workforce development (DWD) to prepare an annual report on the labor supply in Wisconsin. The report must describe any critical labor shortage areas identified by DWD by occupation, region, gender, and race. The report must also recommend potential solutions for those critical labor shortages. Copies of the report must be submitted to the appropriate standing committees of the legislature, to the local workforce development boards established under the federal Workforce Investment Act of 1998 throughout the state, and to other appropriate organizations as determined by DWD.

Department of Corrections Study

The bill requires the department of corrections to report on the availability and effectiveness of programs that provide drug and alcohol abuse treatment, instruction in basic skills such as reading and math, and job skills training to prisoners. The report must include an analysis of the enrollment in and access to these programs by race compared with the racial composition of the prison population as a whole. The report must also include suggestions for programs that would help prisoners enter the workforce.

Tax Study

The bill requires the department of revenue (DOR), in cooperation with DWD, to study and report on current workforce development-related tax incentives and to make recommendations on the state's tax laws to help ensure that the state is able to attract, develop, and retain a highly skilled, highly trained workforce. In developing the report, groups representing employers, employees, taxpayers, and other appropriate groups must be consulted. The report must also consider similar tax incentives in other states.

Student Loan Forgiveness Study

The bill requires the higher educational aids board (HEAB), by January 1, 2002, to study and report on the cost, desirability, and effectiveness of creating a student loan forgiveness program to attract workers to the state.

Jobs Skills Training Program Report

The bill requires DWD to collect information concerning the availability of basic job skills training programs in the state and periodically prepare reports identifying

those programs for distribution to local workforce development boards, job centers, and other appropriate organizations. To the extent practicable, the reports must identify available training programs by region.

TAX INCENTIVES

Productivity Enhancement Training Tax Credit

The bill provides a nonrefundable business tax credit for expenses incurred by a business to provide certain training to the business's employees. The credit equals 100% of the business's certified training expenses, up to a maximum of \$7,500 per year. Eligible training expenses include up to \$2,000 incurred for pre-training assessment and consultation services. The credit may not be claimed for amounts deducted by the business under the Internal Revenue Code as ordinary and necessary business expenses. Unused credits may be carried forward for up to 15 years. Under the bill, 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 purpose of the credit is to encourage businesses to provide training to their employees to improve productivity and to promote, and provide workers for, high-skill and high-wage jobs.

To qualify for the credit, the department of commerce must certify the business's productivity enhancement training expenses. To be eligible to have its expenses certified, the business must submit to the department of commerce a productivity enhancement training plan designed to: (1) increase employee productivity; and (2) result in employees holding jobs in the business that require higher degrees of skill to perform and that pay higher wages than their current jobs. In addition, the business must receive pre-training needs assessment and consultation from an experienced provider of productivity assessments, as approved by the department of commerce. Finally, the business must submit an accounting of its productivity enhancement training expenses so that the department of commerce may determine if the expenses were incurred under the training plan.

Each business that has its expenses certified and that claims the tax credit must report to the department of commerce, by March 1 of the year the business receives the certification, on the results of its productivity enhancement training and on its success in meeting the goals established in its productivity enhancement training plan. The department of commerce is required to report to the legislature by December 1 annually on the effectiveness of the program.

The tax credit is available for taxable years beginning after December 1, 2000. No business may be certified for tax credits for any taxable year beginning after December 31, 2009.

Apprenticeship Tax Credit

The bill creates an income tax and franchise tax credit for an employer that pays wages to an apprentice who is participating in a two-year to five-year apprenticeship program in which the apprentice is receiving instruction leading to qualification as a skilled journeyman in any industrial manufacturing trade, any private sector service occupation, or certain construction trades. The amount of the credit is five percent of the wages that are paid to an apprentice in a taxable year, but cannot exceed \$1,400, except that, in the taxable year in which the apprentice completes the apprenticeship program, the amount of the credit is eight percent of the wages that are paid to an apprentice, but cannot exceed \$3,000. An employer will not receive the credit unless the employer enters into an agreement with DWD permitting DWD to post on DWD's Internet site the employer's name and address and the number of apprentices and journeymen that the employer employs during the year. Generally, no employer may claim the credit for taxable years beginning after December 31, 2004, if the number of employers training

apprentices does not increase by more than 40% from January 1, 2002, to December 31, 2004.

Education Tax Credit

The 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. 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: (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) 75% 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 if the individual's taxable income is not more than 185% of the federal poverty line. 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.

Development Zone Tax Credits

Under current law, a person may claim an income tax credit for up to 50% of the person's environmental remediation expenses incurred in a development zone. Under current law, the credit may not be transferred between persons, and a municipality or nonprofit organization that engages in remedial remediation activities in a development zone may not claim a credit.

This bill provides that any person eligible to claim a credit for remediation expenses incurred in a development zone may transfer the right to claim the credit to any other person subject to taxation in this state. In addition, the bill provides that a person may claim a credit for 50% of the amount expended by a municipality or a tax-exempt or nonprofit organization for environmental remediation in a development zone, if the municipality or organization has entered into an exclusive written agreement with the person claiming the credit. The bill requires DOR to promulgate rules implementing the credit transfer provisions.

TRAINING AND EDUCATION

Job Training Access Policies

The bill requires every public educational institution in the state to have a policy regarding access to their facilities by local organizations and businesses for the purpose of employment-related training. If the policy allows for such access, the policy shall set a reasonable cost. The policy may allow access based on the availability of space and the appropriateness of the training and only insofar as access would be consistent with the institution's mission.

Workplace Diversity Grant Program

The bill creates a workplace diversity grant program administered by DWD. Under the program, local, nonprofit organizations that offer diversity training, basic employment skills development, or instruction in English as a second language to employees and to persons seeking employment may qualify for grants.

A local, nonprofit organization is qualified for a grant if any of the following apply:

- (1) The governing body of the local, nonprofit organization is comprised of representatives of private sector employers and local government units or agencies, and the local, nonprofit organization assists local employers in meeting their workforce needs.
- (2) The local, nonprofit organization assists persons who have been convicted of a crime, whether employed or not, in strengthening or developing their employment skills and in making or easing their transition from incarceration to work.

(3) The local nonprofit organization assists any of the following persons, whether employed or not, in preparing for or gaining entry into the skilled trades: (a) persons eligible for the Wisconsin works program (commonly referred to as "W-2"); (b) military

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veterans; (c) persons who have been convicted of a crime; (d) persons eligible for food stamps; and (e) minority group members.

DWD must attempt to award grants to eligible organizations from different geographic regions of the state. The bill appropriates \$120,000 for the grants in fiscal year 2001-02 and limits the amount of a grant to any given organization to \$30,000.

Applications for the grants must be received by December 1, 2001, and the grants must be awarded by January 1, 2002.

The bill requires DWD, by September 1, 2002, to report on the grant program, including the uses made of the grants. The report must recommend whether the program should be funded in the next biennium and, if continued funding is recommended, the report must recommend an appropriate funding level and any changes that should be made to the program.

Job Retention Skills Development Program

The bill requires each technical college district board to make available, and offer at a frequency based upon demand in the district, a job retention skills development program to assist employers to retain new employees, build the job skill levels of those employees, and assist those employees to attain higher wages and long-term careers. To the extent practicable, the program must be provided at employment sites.

The program must emphasize job retention skills development for employees with incomes at or below 200% of the federal poverty line who are current or former recipients of public assistance, employees in the first six months of employment with their employer, and entry-level employees.

In supervising and establishing minimum requirements for the program, the state technical college system board (state board) must consult with employers, technical college district boards (district boards), W-2 agencies, local units of government, and labor organizations. The program must include elements relating to the skills needed to show up for work on time, to work effectively in a team, to communicate with supervisors and coworkers, and to solve basic job-related personal and interpersonal problems.

The bill requires the state board, in consultation with employers, district boards, and DWD, to develop standards to assess the job retention and skills competencies of participants before and after participation in the program. The program expires on December 31, 2004.

Further, the bill requires district boards to assist employers in providing ongoing job retention skills development and reinforcement activities in the work place. The bill also allows district boards to charge employers a fee for the program and services offered to employers. Under the bill, \$200,000 of federal temporary assistance for needy families block grant funds is used to implement the program.

Finally, the bill requires W-2 agencies to coordinate case management services that are provided to W-2 participants in unsubsidized employment with the job retention skills development program.

Preapprenticeship Basic Skills Training

The bill directs DWD to contract with an organization of employees, an association of employers, or some other similar responsible agency in this state (organization) to provide preapprenticeship basic skills training grants of up to \$500 to persons whose family income does not exceed 165% of the federal poverty line and who have previously failed a test for placement in an apprenticeship program providing instruction in an industrial manufacturing trade, a private sector service occupation, or certain construction trades, but who wish to participate in such a program. A person who receives a preapprenticeship basic skills training grant may use the grant moneys received to pay for the costs of tuition, fees, books, supplies, and materials, and for any other direct training costs, required to attend a preapprenticeship basic skills training program provided by an organization, a technical college, or a proprietary school approved by the educational approval board.

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OTHEROccupational Driver's License Fee

Prior to passage of 1999 Wisconsin Act 9, the biennial budget act, a person could have his or her operating privileges suspended for failing to pay a judgment for an ordinance violation unrelated to the person's operation of a motor vehicle. Although Act 9 repealed this authority, the act did not restore operating privileges to persons who had their operating privileges suspended prior to Act 9. Under current law, a person whose operating privilege is suspended for failing to pay a judgment for an ordinance violation is not eligible to apply for an occupational driver's license.

This bill allows a person whose operating privilege was suspended solely for failing to pay a judgment for an ordinance violation unrelated to the operation of a motor vehicle to apply for an occupational driver's license upon payment of a \$10 fee. This fee represents a reduction from the \$40 application fee generally charged for an occupational license.

Apprenticeship Marketing Program

The bill requires DWD to conduct apprenticeship marketing activities, including the development and provision of promotional materials directed at encouraging employers to hire apprentices, educating high school career counselors on careers available in the skilled trades, encouraging the youth of this state to consider a career in the skilled trades, and otherwise promoting the availability and benefits of careers in the skilled trades. The bill requires DWD to solicit contributions from private sources to assist in the provision of those promotional materials and to seek the advice of and consult with the apprenticeship marketing council created by the bill regarding the administration of those apprenticeship marketing activities.

1 **SECTION 1.** 15.227 (14) of the statutes is created to read:

2 **15.227 (14) APPRENTICESHIP MARKETING COUNCIL.** There is created in the
3 department of workforce development an apprenticeship marketing council
4 appointed by the secretary of workforce development. The council shall consist of 4
5 members appointed for 3-year terms who represent the interests of employees, 4
6 members appointed for 3-year terms who represent the interests of employers, and
7 2 employees of the department of workforce development to serve at the pleasure of
8 the secretary.

9 **SECTION 2.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
10 the following amounts for the purposes indicated:

2001-02 2002-03

20.445 Workforce development, department of**(1) WORKFORCE DEVELOPMENT**

(d) Workplace diversity grant pro-
gram

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SECTION 3. 20.292 (1) (kd) of the statutes is created to read:

20.292 (1) (kd) *Job retention skills development programs.* All moneys transferred from the appropriation account under s. 20.445 (3) (md) for job retention skills development programs under s. 38.34. No moneys may be encumbered from this appropriation after June 30, 2003.

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SECTION 4. 20.445 (1) (d) of the statutes is created to read:

20.445 (1) (d) *Workplace diversity grant program.* The amounts in the schedule for workplace diversity grants under ~~2001 Wisconsin Act ... (this act), section 56 (2).~~

SECTION 5. 20.445 (3) (md) of the statutes, as affected by 2001 Wisconsin Act

16, is amended to read:

20.445 (3) (md) *Federal block grant aids.* The amounts in the schedule, less the amounts withheld under s. 49.143 (3), for aids to individuals or organizations and to be transferred to the appropriation accounts under ss. 20.255 (2) (kh) and (kp), 20.292 (1) (kd), 20.433 (1) (k), 20.434 (1) (kp) and (ky), 20.435 (3) (kc), (kd), (km), and (ky), (5) (ky), (7) (ky), and (8) (kx), 20.465 (4) (k), and 20.835 (2) (kf). All block grant moneys received for these purposes from the federal government or any of its agencies and all moneys recovered under s. 49.143 (3) shall be credited to this appropriation account.

SECTION 6. 36.11 (1) (cg) of the statutes is created to read:

1 36.11 (1) (cg) The board shall ensure that each institution and college campus
2 establishes a written policy regarding the use of classrooms and facilities by local
3 organizations and businesses for employment-related training. The policy may
4 condition access on payment of a reasonable fee, the availability of space, and the
5 appropriateness of the training. The policy may limit access to activities that are
6 consistent with the mission of the institution or college campus.

7 **SECTION 7.** 38.14 (2) (e) of the statutes is created to read:

8 38.14 (2) (e) Each district board shall establish a written policy regarding the
9 use of classrooms and facilities by local organizations and businesses for
10 employment-related training. The policy may condition access on payment of a
11 reasonable fee, the availability of space, and the appropriateness of the training. The
12 policy may limit access to activities that are consistent with the mission of the
13 technical college.

14 **SECTION 8.** 38.34 of the statutes is created to read:

15 **38.34 Job retention skills development programs.** (1) Each district
16 board shall make available, and shall offer at a frequency based upon demand in the
17 district, a job retention skills development program in order to assist employers to
18 retain new employees, build job skill levels of those employees, and assist those
19 employees in attaining higher wages and long-term careers. To the extent
20 practicable, the district board shall offer the program at employment sites. The
21 program shall emphasize job retention skills development for employees with gross
22 incomes at or below 200% of the poverty line, as defined in s. 49.001 (5), who are any
23 of the following:

24 (a) Current or former recipients of public assistance, including participants in
25 Wisconsin works employment positions under s. 49.147.

1 (b) Employees who are within the first 6 months of employment with their
2 employer.

3 (c) Entry-level employees.

4 (2) The program shall provide training in all of the following:

5 (a) Skills needed to achieve punctuality and consistency in attendance at the
6 employee's employment.

7 (b) Skills needed to effectively work in a team.

8 (c) Skills needed to effectively communicate with supervisors and coworkers.

9 (d) Skills needed to solve basic workplace-related personal and interpersonal
10 problems.

11 (3) (a) The board shall supervise, and establish minimum requirements for, the
12 program. Except as provided in sub. (2), the board shall determine the length and
13 content of the program after consultation with employers, district boards, Wisconsin
14 works agencies, as defined in s. 49.001 (9), local units of government, and labor
15 organizations.

16 (b) In consultation with employers, district boards, and the department of
17 workforce development, the board shall develop standards for assessing the job
18 retention skills, including the skills specified in sub. (2), of employees before and
19 after their participation in the program.

20 (4) To the extent practicable, the district board shall assist employers in
21 providing ongoing job retention skills development and reinforcement activities in
22 the workplace. The district board may charge employers a fee for the program and
23 services offered under this section.

24 (5) This section does not apply after December 31, 2004.

25 SECTION 9. 49.1475 of the statutes is amended to read:

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1 **49.1475 Follow-up services.** Following any follow-up period required by the
2 contract entered into under s. 49.143, a Wisconsin works agency may provide case
3 management services for an individual who moves from a Wisconsin works
4 employment position to unsubsidized employment to help the individual retain the
5 unsubsidized employment. Case management services may include the provision of
6 employment skills training; English as a 2nd language classes, if the Wisconsin
7 works agency determines that the course will facilitate the individual's efforts to
8 retain employment; a course of study meeting the standards established under s.
9 115.29 (4) for the granting of a declaration of equivalency of high school graduation;
10 or other remedial education courses. A Wisconsin works agency shall coordinate case
11 management services with a program offered by a technical college under s. 38.34.
12 The Wisconsin works agency may provide case management services regardless of
13 the individual's income and asset levels.

14 **SECTION 10.** 49.175 (1) (zp) of the statutes is created to read:

15 49.175 (1) (zp) *Job retention skills development programs.* For the transfer of
16 moneys to the technical college system board for implementation costs for job
17 retention skills development programs under s. 38.34, \$200,000 in fiscal year
18 2001-02.

19 **SECTION 11.** 71.05 (6) (a) 15. of the statutes, as affected by 2001 Wisconsin Act
20 16, is amended to read:

21 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),
22 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), ~~and (3s)~~, (5d), (5r), and (5v) not
23 passed through by a partnership, limited liability company or tax-option corporation
24 that has added that amount to the partnership's, company's, or tax-option
25 corporation's income under s. 71.21 (4) or 71.34 (1) (g).

1 **SECTION 12.** 71.07 (5d) of the statutes is created to read:

2 **71.07 (5d) INDUSTRIAL, SERVICE, AND SKILLED TRADES APPRENTICESHIP CREDIT.** (a)

3 In this subsection:

4 1. “Apprentice” means a person who participates in a 2-year to 5-year
5 apprenticeship program, as determined and approved by the department, in which
6 the person receives instruction leading to qualification as a skilled journeyman in
7 any industrial manufacturing trade or private sector service occupation or receives
8 instruction in the construction trades leading to qualification as a skilled
9 journeyman carpenter, including a floor coverer, millwright, or pile driver; laborer;
10 ironworker; or painter, including a taper.

11 2. “Claimant” means a person who files a claim under this subsection and who
12 is a trades trainer, as determined and approved by the department.

13 3. “Department” means the department of workforce development.

14 (b) Subject to the limitations provided in this subsection, for taxable years
15 beginning after December 31, 2001, a claimant may claim as a credit against the
16 taxes imposed under s. 71.02 an amount that is equal to 5% of the wages that the
17 claimant paid to an apprentice in the taxable year, but not to exceed \$1,400, except
18 that a claimant may claim as a credit against the taxes imposed under s. 71.02 an
19 amount that is equal to 8% of the wages that the claimant paid to an apprentice in
20 the taxable year in which the apprentice completes an apprenticeship program, but
21 not to exceed \$3,000.

22 (c) No claimant may receive a credit under this subsection unless the claimant
23 enters into an agreement with the department permitting the department to post on
24 the department’s Internet site the claimant’s name and address and the number of
25 apprentices and journeymen employed by the claimant during the calendar year.

1 (d) This subsection does not apply to taxable years that begin after December
2 31, 2004, if the number of employers training apprentices in department–approved
3 programs does not increase by more than 40% from January 1, 2002, to December
4 31, 2004, as determined by the department, except that a claimant who has claimed
5 a credit for an apprentice’s wages in any taxable year beginning before January 1,
6 2005, may continue to claim a credit for the apprentice’s wages in succeeding taxable
7 years, until the apprentice completes the apprenticeship program. As soon as
8 practicable after December 31, 2004, the department shall certify to the department
9 of revenue the number of employers training apprentices in approved programs on
10 January 1, 2002, and the number of employers training apprentices in approved
11 programs on December 31, 2004.

12 (e) 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 (f) 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 wages 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 interests.

22 (g) 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 13.** 71.07 (5r) of the statutes is created to read:

25 **71.07 (5r) EDUCATION CREDIT.** (a) In this subsection:

1 1. “Claimant” means a sole proprietor, a partner, a member of a limited liability
2 company, or a shareholder of a tax-option corporation who files a claim under this
3 subsection.

4 2. “Degree-granting program” means an educational program for which an
5 associate, a bachelor’s, or a graduate degree is awarded upon successful completion.

6 3. “Family member” has the meaning given in s. 157.061 (7).

7 4. “Managing employee” means an individual who wholly or partially exercises
8 operational or managerial control over, or who directly or indirectly conducts, the
9 operation of the claimant’s business.

10 5. “Poverty line” has the meaning given in s. 49.001 (5).

11 6. “Qualified postsecondary institution” means all of the following:

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

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

17 (b) Subject to the limitations provided in this subsection, for taxable years
18 beginning after December 31, 2001, a claimant may claim as a credit against the tax
19 imposed under s. 71.02 an amount equal to the following:

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

24 2. Seventy-five percent of the tuition that the claimant paid or incurred during
25 the taxable year for an individual to participate in an education program of a

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

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

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

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

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

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

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

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

1 information to each of them. Partners, members of limited liability companies, and
2 shareholders of tax-option corporations may claim the credit in proportion to their
3 ownership interest.

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

6 **SECTION 14.** 71.07 (5v) of the statutes is created to read:

7 71.07 (5v) PRODUCTIVITY ENHANCEMENT TRAINING CREDIT. (a) In this subsection,
8 “productivity enhancement training expenses” has the meaning given in s. 560.157
9 (1).

10 (b) Subject to the limitations provided in this subsection, for taxable years
11 beginning after December 31, 2000, any partner, member of a limited liability
12 company, or a shareholder of a tax-option corporation may claim as a credit against
13 taxes otherwise due under s. 71.02 an amount that is equal to 100% of the amount
14 of the partner’s, member’s, or shareholder’s productivity enhancement training
15 expenses certified by the department of commerce under s. 560.157 in the taxable
16 year for which the expenses are certified, but that is not to exceed \$7,500.

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

19 (d) A partner, member of a limited liability company, or shareholder of a
20 tax-option corporation may not claim the credit under par. (b) for any productivity
21 enhancement training expenses that the partner, member, or shareholder deducted
22 from gross income for Wisconsin income tax or franchise tax purposes under section
23 162 of the Internal Revenue Code.

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,

1 the credit are based on their productivity enhancement training expenses certified
2 under s. 560.157. A partnership, limited liability company, or tax-option corporation
3 shall compute the amount of credit that each of its partners, members, or
4 shareholders may claim and shall provide that information to each of them.
5 Partners, members of limited liability companies, and shareholders of tax-option
6 corporations may claim the credit in proportion to their 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 (g) No credit may be claimed under this subsection for taxable years beginning
10 after December 31, 2009. Credits claimed under this subsection for taxable years
11 beginning before January 1, 2010, may be carried forward to taxable years beginning
12 after December 31, 2009, as provided under s. 71.28 (4) (f).

13 **SECTION 15.** 71.08 (1) (intro.) of the statutes is amended to read:

14 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married
15 couple filing jointly, trust or estate under s. 71.02, not considering the credits under
16 ss. 71.07 (1), (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2fd), (3m), (3s), (5v),
17 (6), and (9e), 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1fd), (2m) and, (3), and
18 (5v), and 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1fd), (2m) and, (3), and
19 (5v) and subchs. VIII and IX and payments to other states under s. 71.07 (7), is less
20 than the tax under this section, there is imposed on that natural person, married
21 couple filing jointly, trust or estate, instead of the tax under s. 71.02, an alternative
22 minimum tax computed as follows:

23 **SECTION 16.** 71.10 (4) (cd) of the statutes is created to read:

24 71.10 (4) (cd) Education credit under s. 71.07 (5r).

25 **SECTION 17.** 71.10 (4) (cp) of the statutes is created to read:

1 71.10 (4) (cp) Industrial, service, and skilled trades apprenticeship credit
2 under s. 71.07 (5d).

3 **SECTION 18.** 71.10 (4) (k) of the statutes is created to read:

4 71.10 (4) (k) Productivity enhancement training credit under s. 71.07 (5v).

5 **SECTION 19.** 71.21 (4) of the statutes, as affected by 2001 Wisconsin Act 16, is
6 amended to read:

7 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
8 (2dj), (2dL), (2dm), (2ds), (2dx), (3g), and (3s), (sd), (5r), and (5v) and passed through
9 to partners shall be added to the partnership's income.

10 **SECTION 20.** 71.26 (2) (a) of the statutes, as affected by 2001 Wisconsin Act 16,
11 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), (3), (4), (5), plus the amount of the credit computed
16 under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), and ~~(3g)~~ (1dx), (3g), (5d),
17 (5r), and (5v) and not passed through by a partnership, limited liability company, or
18 tax-option corporation that has added that amount to the partnership's, limited
19 liability company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1)
20 (g) plus the amount of losses from the sale or other disposition of assets the gain from
21 which would be wholly exempt income, as defined in sub. (3) (L), if the assets were
22 sold or otherwise disposed of at a gain and minus deductions, as computed under the
23 Internal Revenue Code as modified under sub. (3), plus or minus, as appropriate, an
24 amount equal to the difference between the federal basis and Wisconsin basis of any

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

3 **SECTION 21.** 71.28 (1dx) (b) 1. of the statutes is amended to read:

4 71.28 (1dx) (b) 1. Fifty percent of the amount expended by the person for
5 environmental remediation in a development zone.

6 **SECTION 22.** 71.28 (1dx) (b) 1m. of the statutes is created to read:

7 71.28 (1dx) (b) 1m. Fifty percent of the amount expended by a municipality, as
8 defined in s. 292.01 (11), or an organization that is exempt from federal income
9 taxation under section 501 (c) (3) of the Internal Revenue Code for environmental
10 remediation in a development zone, if the municipality or organization has entered
11 into an exclusive written agreement with the person claiming the credit that
12 approves of the person claiming the credit based on the expenditures of the
13 municipality or organization. The department shall promulgate rules to implement
14 this subdivision.

15 **SECTION 23.** 71.28 (1dx) (f) of the statutes is created to read:

16 71.28 (1dx) (f) *Transfer of credits.* Any person who is eligible to claim a credit
17 under par. (b) 1. may transfer the right to claim the credit under par. (b) 1. to any
18 other person who is subject to taxation under this subchapter. The department shall
19 promulgate rules to implement this paragraph.

20 **SECTION 24.** 71.28 (5d) of the statutes is created to read:

21 71.28 (5d) INDUSTRIAL, SERVICE, AND SKILLED TRADES APPRENTICESHIP CREDIT. (a)

22 In this subsection:

23 1. "Apprentice" means a person who participates in a 2-year to 5-year
24 apprenticeship program, as determined and approved by the department, in which
25 the person receives instruction leading to qualification as a skilled journeyman in

1 any industrial manufacturing trade or private sector service occupation or receives
2 instruction in the construction trades leading to qualification as a skilled
3 journeyman carpenter, including a floor coverer, millwright, or pile driver; laborer;
4 ironworker; or painter, including a taper.

5 2. "Claimant" means a person who files a claim under this subsection and who
6 is a trades trainer, as determined and approved by the department.

7 3. "Department" means the department of workforce development.

8 (b) Subject to the limitations provided in this subsection, for taxable years
9 beginning after December 31, 2001, a claimant may claim as a credit against the
10 taxes imposed under s. 71.23 an amount that is equal to 5% of the wages that the
11 claimant paid to an apprentice in the taxable year, but not to exceed \$1,400, except
12 that a claimant may claim as a credit against the taxes imposed under s. 71.23 an
13 amount that is equal to 8% of the wages that the claimant paid to an apprentice in
14 the taxable year in which the apprentice completes an apprenticeship program, but
15 not to exceed \$3,000.

16 (c) No claimant may receive a credit under this subsection unless the claimant
17 enters into an agreement with the department permitting the department to post on
18 the department's Internet site the claimant's name and address and the number of
19 apprentices and journeymen employed by the claimant during the calendar year.

20 (d) This subsection does not apply to taxable years that begin after December
21 31, 2004, if the number of employers training apprentices in department-approved
22 programs does not increase by more than 40% from January 1, 2002, to December
23 31, 2004, as determined by the department, except that a claimant who has claimed
24 a credit for an apprentice's wages in any taxable year beginning before January 1,
25 2005, may continue to claim a credit for the apprentice's wages in succeeding taxable

1 years, until the apprentice completes the apprenticeship program. As soon as
2 practicable after December 31, 2004, the department shall certify to the department
3 of revenue the number of employers training apprentices in approved programs on
4 January 1, 2002, and the number of employers training apprentices in approved
5 programs on December 31, 2004.

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

8 (f) 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 are based on their payment of wages under par. (b). A partnership, limited
11 liability company, or tax-option corporation shall compute the amount of credit that
12 each of its partners, members, or shareholders may claim and shall provide that
13 information to each of them. Partners, members of limited liability companies, and
14 shareholders of tax-option corporations may claim the credit in proportion to their
15 ownership interests.

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

18 **SECTION 25.** 71.28 (5r) of the statutes is created to read:

19 71.28 (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 education 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).

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 in 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, for taxable years
12 beginning after December 31, 2001, a claimant may claim as a credit against the tax
13 imposed under s. 71.23 an amount equal to the following:

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

18 2. Seventy-five percent of the tuition that the claimant paid or incurred during
19 the taxable year for an individual to participate in an education program of a
20 qualified postsecondary institution, if the individual was enrolled in a
21 degree-granting program and if the individual’s taxable income in the year prior to
22 commencing participation in the education program in connection with which a
23 credit is claimed is not more than 185% of the poverty line.

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

1 (d) 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 a managing employee
3 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 in connection with
7 which the claimant claims a credit under par. (b).

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

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

24 **SECTION 26.** 71.28 (5v) of the statutes is created to read:

1 71.28 (5v) PRODUCTIVITY ENHANCEMENT TRAINING CREDIT. (a) In this subsection,
2 “productivity enhancement training expenses” has the meaning given in s. 560.157
3 (1).

4 (b) Subject to the limitations provided in this subsection, for taxable years
5 beginning after December 31, 2000, any corporation may claim as a credit against
6 taxes otherwise due under s. 71.23 an amount that is equal to 100% of the amount
7 of the corporation’s productivity enhancement training expenses certified by the
8 department of commerce under s. 560.157 in the taxable year for which the expenses
9 are certified, but that is not to exceed \$7,500.

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

12 (d) A corporation may not claim the credit under par. (b) for any productivity
13 enhancement training expenses that the corporation deducted from gross income for
14 Wisconsin income tax or franchise tax purposes under section 162 of the Internal
15 Revenue Code.

16 (e) Partnerships, limited liability companies, and tax-option corporations may
17 not claim the credit under this subsection, but the eligibility for, and the amount of,
18 the credit are based on their productivity enhancement training expenses certified
19 under s. 560.157. A partnership, limited liability company or tax-option corporation
20 shall compute the amount of credit that each of its partners, members, or
21 shareholders may claim and shall provide that information to each of them.
22 Partners, members of limited liability companies, and shareholders of tax-option
23 corporations may claim the credit in proportion to their ownership interest.

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

1 (g) No credit may be claimed under this subsection for taxable years beginning
2 after December 31, 2009. Credits claimed under this subsection for taxable years
3 beginning before January 1, 2010, may be carried forward to taxable years beginning
4 after December 31, 2009, as provided under sub. (4) (f).

5 **SECTION 27.** 71.30 (3) (dg) of the statutes is created to read:

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

7 **SECTION 28.** 71.30 (3) (dm) of the statutes is created to read:

8 71.30 (3) (dm) The industrial, service, and skilled trades apprenticeship credit
9 under s. 71.28 (5d).

10 **SECTION 29.** 71.30 (3) (g) of the statutes is created to read:

11 71.30 (3) (g) Productivity enhancement training credit under s. 71.28 (5v).

12 **SECTION 30.** 71.34 (1) (g) of the statutes, as affected by 2001 Wisconsin Act 16,
13 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), (1dm), (1ds), (1dx), (3), ~~and~~
16 ~~(3g), (5d), (5r), and (5v)~~ and passed through to shareholders.

17 **SECTION 31.** 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 (1dx), ~~(5d), (5r), and (5v)~~ and not passed through
20 by a partnership, limited liability company or tax-option corporation that has added
21 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) and the amount of credit
23 computed under s. 71.47 (1), (3), (4), and (5).

24 **SECTION 32.** 71.47 (5d) of the statutes is created to read:

1 **71.47 (5d) INDUSTRIAL, SERVICE, AND SKILLED TRADES APPRENTICESHIP CREDIT.** (a)

2 In this subsection:

3 1. “Apprentice” means a person who participates in a 2-year to 5-year
4 apprenticeship program, as determined and approved by the department, in which
5 the person receives instruction leading to qualification as a skilled journeyman in
6 any industrial manufacturing trade or private sector service occupation or receives
7 instruction in the construction trades leading to qualification as a skilled
8 journeyman carpenter, including a floor coverer, millwright, or pile driver; laborer;
9 ironworker; or painter, including a taper.

10 2. “Claimant” means a person who files a claim under this subsection and who
11 is a trades trainer, as determined and approved by the department.

12 3. “Department” means the department of workforce development.

13 (b) Subject to the limitations provided in this subsection, for taxable years
14 beginning after December 31, 2001, a claimant may claim as a credit against the
15 taxes imposed under s. 71.43 an amount that is equal to 5% of the wages that the
16 claimant paid to an apprentice in the taxable year, but not to exceed \$1,400, except
17 that a claimant may claim as a credit against the taxes imposed under s. 71.43 an
18 amount that is equal to 8% of the wages that the claimant paid to an apprentice in
19 the taxable year in which the apprentice completes an apprenticeship program, but
20 not to exceed \$3,000.

21 (c) No claimant may receive a credit under this subsection unless the claimant
22 enters into an agreement with the department permitting the department to post on
23 the department’s Internet site the claimant’s name and address and the number of
24 apprentices and journeymen employed by the claimant during the calendar year.

1 (d) This subsection does not apply to taxable years that begin after December
2 31, 2004, if the number of employers training apprentices in department–approved
3 programs does not increase by more than 40% from January 1, 2002, to December
4 31, 2004, as determined by the department, except that a claimant who has claimed
5 a credit for an apprentice’s wages in any taxable year beginning before January 1,
6 2005, may continue to claim a credit for the apprentice’s wages in succeeding taxable
7 years, until the apprentice completes the apprenticeship program. As soon as
8 practicable after December 31, 2004, the department shall certify to the department
9 of revenue the number of employers training apprentices in approved programs on
10 January 1, 2002, and the number of employers training apprentices in approved
11 programs on December 31, 2004.

12 (e) 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 (f) 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 wages 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 interests.

22 (g) 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 33.** 71.47 (5r) of the statutes is created to read:

25 **71.47 (5r) EDUCATION CREDIT.** (a) In this subsection:

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

2 2. “Degree-granting program” means an educational program for which an
3 associate, a bachelor’s, or a graduate degree is awarded upon successful completion.

4 3. “Family member” has the meaning given in s. 157.061 (7).

5 4. “Managing employee” means an individual who wholly or partially exercises
6 operational or managerial control over, or who directly or indirectly conducts, the
7 operation of the claimant’s business.

8 5. “Poverty line” has the meaning given in s. 49.001 (5).

9 6. “Qualified postsecondary institution” means all of the following:

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

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

15 (b) Subject to the limitations provided in this subsection, for taxable years
16 beginning after December 31, 2001, a claimant may claim as a credit against the tax
17 imposed under s. 71.43 an amount equal to the following:

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

22 2. Seventy-five percent of the tuition that the claimant paid or incurred during
23 the taxable year for an individual to participate in an education program of a
24 qualified postsecondary institution, if the individual was enrolled in a
25 degree-granting program and if the individual’s taxable income in the year prior to

1 commencing participation in the education program in connection with which a
2 credit is claimed is not more than 185% of the poverty line.

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

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

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

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

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

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

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

1 (g) 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 34.** 71.47 (5v) of the statutes is created to read:

4 **71.47 (5v) PRODUCTIVITY ENHANCEMENT TRAINING CREDIT.** (a) In this subsection,
5 “productivity enhancement training expenses” has the meaning given in s. 560.157
6 (1).

7 (b) Subject to the limitations provided in this subsection, for taxable years
8 beginning after December 31, 2000, any corporation may claim as a credit against
9 taxes otherwise due under s. 71.43 an amount that is equal to 100% of the amount
10 of the corporation’s productivity enhancement training expenses certified by the
11 department of commerce under s. 560.157 in the taxable year for which the expenses
12 are certified, but not to exceed \$7,500.

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

15 (d) A corporation may not claim the credit under par. (b) for any productivity
16 enhancement training expenses that the corporation deducted from gross income for
17 Wisconsin income tax or franchise tax purposes under section 162 of the Internal
18 Revenue Code.

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 productivity enhancement training expenses certified
22 under s. 560.157. A partnership, limited liability company, or tax-option corporation
23 shall compute the amount of credit that each of its partners, members, or
24 shareholders may claim and shall provide that information to each of them.

1 Partners, members of limited liability companies, and shareholders of tax-option
2 corporations may claim the credit in proportion to their 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 (g) No credit may be claimed under this subsection for taxable years beginning
6 after December 31, 2009. Credits claimed under this subsection for taxable years
7 beginning before January 1, 2010, may be carried forward to taxable years beginning
8 after December 31, 2009 as provided under s. 71.28 (4) (f).

9 **SECTION 35.** 71.49 (1) (dg) of the statutes is created to read:

10 71.49 (1) (dg) Education credit under s. 71.47 (5r).

11 **SECTION 36.** 71.49 (1) (dm) of the statutes is created to read:

12 71.49 (1) (dm) Industrial, service, and skilled trades apprenticeship credit
13 under s. 71.47 (5d).

14 **SECTION 37.** 71.49 (1) (g) of the statutes is created to read:

15 71.49 (1) (g) Productivity enhancement training credit under s. 71.47 (5v).

16 **SECTION 38.** 77.92 (4) of the statutes, as affected by 2001 Wisconsin Act 16, is
17 amended to read:

18 77.92 (4) “Net business income”, with respect to a partnership, means taxable
19 income as calculated under section 703 of the Internal Revenue Code; plus the items
20 of income and gain under section 702 of the Internal Revenue Code, including taxable
21 state and municipal bond interest and excluding nontaxable interest income or
22 dividend income from federal government obligations; minus the items of loss and
23 deduction under section 702 of the Internal Revenue Code, except items that are not
24 deductible under s. 71.21; plus guaranteed payments to partners under section 707
25 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),

1 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), and (3g), and (3s), (5d), (5r), and (5v); and
2 plus or minus, as appropriate, transitional adjustments, depreciation differences,
3 and basis differences under s. 71.05 (13), (15), (16), (17), and (19); but excluding
4 income, gain, loss, and deductions from farming. "Net business income", with respect
5 to a natural person, estate, or trust, means profit from a trade or business for federal
6 income tax purposes and includes net income derived as an employee as defined in
7 section 3121 (d) (3) of the Internal Revenue Code.

8 **SECTION 39.** 106.01 (12) of the statutes is created to read:

9 106.01 (12) From the appropriations under s. 20.445 (1) (a) and (g), the
10 department shall allocate \$150,000 in each fiscal year for apprenticeship marketing
11 activities, including the development and distribution of promotional materials
12 directed at encouraging employers to hire apprentices, educating high school career
13 counselors on careers available in the skilled trades, encouraging the youth of this
14 state to consider a career in the skilled trades, and otherwise promoting the
15 availability and benefits of careers in the skilled trades. The department shall solicit
16 contributions from private sources to assist in the provision of those promotional
17 materials and shall credit any contributions received to the appropriation account
18 under s. 20.445 (1) (g). The department shall seek the advice of and consult with the
19 apprenticeship marketing council regarding the administration of the
20 apprenticeship marketing activities provided under this subsection.

21 **SECTION 40.** 106.01 (13) of the statutes is created to read:

22 106.01 (13) (a) In this subsection, "industrial, service, or skilled trades
23 apprenticeship program" means a 2-year to 5-year apprenticeship program, as
24 determined and approved by the department, in which an apprentice receives
25 instruction leading to qualification as a skilled journeyman in any industrial

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1 manufacturing trade or private sector service occupation or receives instruction in
2 the construction trades leading to qualification as a skilled journeyman carpenter,
3 including a floor coverer, millwright, or pile driver; laborer; ironworker; or painter,
4 including a taper.

5 (b) From the appropriation under s. 20.445 (1) (a), the department shall
6 allocate \$300,000 in each fiscal year to contract with an organization to provide
7 preapprenticeship basic skills training grants of up to \$500 to persons who are
8 eligible under this paragraph to receive those grants. A person is eligible to receive
9 a grant under this paragraph if the person's family income does not exceed 165% of
10 the poverty line for the continental United States, as revised annually by the federal
11 department of health and human services under 42 USC 9902 (2), and if the person
12 has previously failed a test for placement in an industrial, service, or skilled trades
13 apprenticeship program, but wishes to participate in such a program. A person who
14 receives a grant under this paragraph may use the grant moneys received to pay for
15 the costs of tuition, fees, books, supplies, and materials, and for any other direct
16 training costs, required to attend a preapprenticeship basic skills training program
17 provided by an organization, a technical college, or a school approved by the
18 educational approval board under s. 45.54.

19 **SECTION 41.** 106.175 of the statutes is created to read:

20 **106.175 Labor day report.** By September 1 ~~2001 and annually thereafter~~ ^{of each year}

21 the department shall prepare and submit to the appropriate standing committees of
22 the legislature under s. 13.172 (3) a report on the labor supply in this state. The
23 report shall describe any critical labor shortage areas identified by the department
24 by occupation, region, gender, and race. The report shall also recommend potential
25 solutions for those critical labor shortages. The department shall also provide the

1 report to the local workforce development boards established under 29 USC 2832
2 throughout the state and to the other appropriate organizations as determined by
3 the department.

4 SECTION 42. 106.18 of the statutes is created to read:

5 106.18 Job skills training reports. The department shall collect
6 information concerning the availability of basic job skills training programs in the
7 state and periodically prepare reports identifying those programs for distribution to
8 local workforce development boards established under 29 USC 2832, job centers, and
9 other appropriate organizations as determined by the department. To the extent
10 practicable, the reports shall identify available training programs by region of the
11 state.

12 SECTION 43. 118.115 (2) of the statutes is created to read:

13 118.115 (2) Each school board shall establish a written policy regarding the use
14 of classrooms and facilities by local organizations and businesses for
15 employment-related training. The policy may condition access on payment of a
16 reasonable fee, the availability of space, and the appropriateness of the training. The
17 policy may limit access to activities that are consistent with the mission of the school
18 district.

19 SECTION 44. 119.04 (1) of the statutes is amended to read:

20 119.04 (1) Subchapters IV, V and VII of ch. 115, ch. 121 and ss. 66.0235 (3) (c),
21 115.01 (1) and (2), 115.28, 115.31, 115.33, 115.34, 115.343, 115.345, 115.361, 115.38
22 (2), 115.45, 118.001 to 118.04, 118.045, 118.06, 118.07, 118.10, 118.115, 118.12,
23 118.125 to 118.14, 118.145 (4), 118.15, 118.153, 118.16, 118.162, 118.163, 118.164,
24 118.18, 118.19, 118.20, 118.24 (1), (2) (c) to (f), (6) and (8), 118.245, 118.255, 118.258,
25 118.291, 118.30 to 118.43, 118.51, 118.52, 118.55, 120.12 (5) and (15) to (26), 120.125,

✓
Insert
33-11

1 120.13 (1), (2) (b) to (g), (3), (14), ~~(17) to (18)~~, (19), (26), (34), (35) and (37), 120.14 and
2 120.25 are applicable to a 1st class city school district and board.

3 **SECTION 45.** 119.70 (5) of the statutes is amended to read:

4 119.70 (5) Nothing in this section prohibits the board from granting the use of
5 school property to religious organizations under s. ~~120.13 (17)~~ 118.115.

6 **SECTION 46.** 120.13 (17) (title) of the statutes is renumbered 118.115 (title).

7 **SECTION 47.** 120.13 (17) of the statutes is renumbered 118.115 (1) and amended
8 to read:

9 118.115 (1) ~~Grant~~ The school board may grant the temporary use of school
10 grounds, buildings, facilities, or equipment, upon such conditions, including fees not
11 to exceed actual costs, as determined by the school board, to any responsible person
12 for any lawful nonschool purpose if such use does not interfere with use for school
13 purposes or school-related functions. Fees received under this subsection shall be
14 paid into the school district treasury and accounted for as prescribed under s. 115.28
15 (13). The user shall be primarily liable, and the school board secondarily liable, for
16 any damage to property and for any expense incurred in consequence of any use of
17 school grounds, buildings, facilities, or equipment under this subsection.

18 **SECTION 48.** 343.10 (1) (a) of the statutes is amended to read:

19 343.10 (1) (a) If a person's license or operating privilege is revoked or
20 suspended under this chapter or s. 767.303 or 961.50, or if the person's operating
21 privilege was suspended for failing to pay a forfeiture imposed for violating an
22 ordinance unrelated to the person's operation of a motor vehicle under s. 345.47 (1)
23 (b), 800.09 (1) (c), 800.095 (4) (b) 4., 938.17 (2) (d), 938.34 (8), or 938.343 (2), and if
24 the person is engaged in an occupation, including homemaking or full-time or
25 part-time study, or a trade making it essential that he or she operate a motor vehicle,

1 the person, after payment of the fee provided in sub. (6), may file an application with
2 the department setting forth in detail the need for operating a motor vehicle. No
3 person may file more than one application with respect to each revocation or
4 suspension of the person's license or operating privilege under this chapter or s.
5 767.303 or 961.50, except that this limitation does not apply to an application to
6 amend an occupational license restriction.

7 **SECTION 49.** 343.10 (6) of the statutes is renumbered 343.10 (6) (a) and
8 amended to read:

9 343.10 (6) (a) ~~No~~ Except as provided in par. (b), no person may file an
10 application for an occupational license under sub. (1) unless he or she first pays a fee
11 of \$40 to the department.

12 **SECTION 50.** 343.10 (6) (b) of the statutes is created to read:

13 343.10 (6) (b) A person whose operating privilege was suspended solely for
14 failing to pay a forfeiture imposed for violating an ordinance unrelated to the person's
15 operation of a motor vehicle under s. 345.47 (1) (b), 800.09 (1) (c), 800.095 (4) (b) 4.,
16 938.17 (2) (d), 938.34 (8), or 938.343 (2) may not file an application for an
17 occupational license under sub. (1) unless he or she first pays a fee of \$10 to the
18 department.

19 **SECTION 51.** 560.157 of the statutes is created to read:

20 **560.157 Productivity enhancement training expense certification. (1)**

21 **DEFINITION.** In this section, "productivity enhancement training expenses" means
22 expenses incurred by a business in providing training designed to increase the
23 productivity of the business's employees and to promote or create jobs that require
24 high degrees of skill to perform and that pay high wages. "Productivity enhancement

1 training expenses” includes up to \$2,000 in expenses incurred for needs assessment
2 and consultation under sub. (4) (b).

3 (2) PROGRAM. The department shall develop, implement, and administer a
4 productivity enhancement training expense certification program to assist
5 businesses in providing training to their employees that is designed to improve the
6 employees’ productivity and to promote, and provide workers for, jobs within the
7 businesses that require high degrees of skill to perform and that pay high wages.

8 (3) CERTIFICATION. The department shall certify the productivity enhancement
9 training expenses of a business for the tax credit under s. 71.07 (5v), 71.28 (5v), or
10 71.47 (5v), if the business meets the eligibility requirements under sub. (4).

11 (4) ELIGIBILITY. A business is eligible to have its productivity enhancement
12 training expenses certified if all of the following apply:

13 (a) The business submits to the department a productivity enhancement
14 training plan that the department finds does all of the following:

15 1. Provides for training of the business’s employees that will increase the
16 employees’ productivity to achieve specific goals established as a result of the
17 assessment and consultation under par. (b).

18 2. Provides for training of the business’s employees that will result in the
19 employees holding jobs within the business that require higher degrees of skill and
20 that pay higher wages than their current jobs, as determined by the assessment and
21 consultation under par. (b).

22 (b) Prior to providing any productivity enhancement training, the business
23 receives needs assessment and consultation from an entity that is experienced in
24 providing productivity assessment or business planning and that is approved by the
25 department.

1 (c) Through the needs assessment and consultation under par. (b), the business
2 and the entity agree on a training plan that is appropriate for the purposes specified
3 under par. (a).

4 (d) The business submits to the department an accounting of the productivity
5 enhancement training expenses incurred by the business under the plan under par.
6 (a) and the department determines that the expenses were incurred under the plan.

7 **(5) REPORTING.** (a) Each business that has its productivity enhancement
8 training expenses certified under this section and that claims the tax credit under
9 s. 71.07 (5v), 71.28 (5v), or 71.47 (5v), shall report to the department, no later March
10 1 of the year after the business receives the certification, on the results of its
11 productivity enhancement training and on its success in meeting the goals
12 established in its productivity enhancement training plan. The report shall be in the
13 form prescribed by the department.

14 (b) Annually, the department shall estimate the amount of foregone state
15 revenue because of the tax credits claimed by persons certified under this section.

16 (c) Annually by December 1, the department shall report to the legislature
17 under s. 13.172 (2) on the effectiveness of the productivity enhancement training
18 certification program and the tax credits under ss. 71.07 (5v), 71.28 (5v), and 71.47
19 (5v) in meeting the purposes of the program as specified in sub. (2).

20 **(6) APPLICATION.** The department shall, by rule, develop application procedures
21 for productivity enhancement training certification. The application for certification
22 shall show that the applicant satisfies the requirements under sub. (4) and commits
23 to reporting under sub. (5) (a).

1 (7) NOTIFICATION. The department shall notify the department of revenue of all
2 businesses that are entitled to claim tax credits under ss. 71.07 (5v), 71.28 (5v), and
3 71.47 (5v).

4 (8) TRANSFERABILITY. The tax credits for which a business may have its
5 productivity enhancement training expenses certified under this section are not
6 transferable to another business or person.

7 (9) SUNSET. No business may be certified under this section after December 31,
8 2009, or for tax credits for any tax year beginning after December 31, 2009.

9 **SECTION 52.** 560.797 (4) (f) of the statutes is amended to read:

10 560.797 (4) (f) The tax benefits for which a person is certified as eligible under
11 this subsection are not transferable to another person, business, or location, except
12 as provided in s. 71.28 (1dx) (f) or to the extent permitted under section 383 of the
13 internal revenue code.

14 **SECTION 53. Nonstatutory provisions; corrections.**

15 (1) REPORT ON TREATMENT PROGRAMS FOR PRISONERS. By March 15, 2002, the
16 department of corrections shall study and report on the availability and effectiveness
17 of programs that provide prisoners with treatment for drug and alcohol abuse,
18 instruction in basic skills such as reading and math, and training in job skills. The
19 report shall include an analysis of the racial composition of the enrollment in those
20 programs compared to the racial composition of the prison population as a whole.
21 The report shall also include recommendations for establishing new programs that
22 would better prepare prisoners to enter the workforce and suggestions about how
23 current programs could be improved. The report shall be submitted to the
24 appropriate standing committees of the legislature in the manner provided in section
25 13.172 (3) of the statutes, to the joint committee on finance, and to the governor.

1 **SECTION 54. Nonstatutory provisions; higher educational aids board.**

2 (1) REPORT ON STUDENT LOAN FORGIVENESS TO ATTRACT WORKERS. By January 1,
3 2002, the higher educational aids board shall study and report to the legislature and
4 to the appropriate standing committees of the legislature, in the manner provided
5 under section 13.172 (2) and (3) of the statutes, and to the governor on the cost,
6 desirability, and effectiveness of creating a general program of student loan
7 forgiveness for attracting workers to and retaining workers in this state. The report
8 shall include legislative recommendations.

9 **SECTION 55. Nonstatutory provisions; revenue.**

10 (1) REPORT ON TAX INCENTIVES. The department of revenue, in cooperation with
11 the department of workforce development, shall by January 1, 2002, study and
12 report on existing incentives in the income tax code in the form of credits and
13 deductions available to employers for providing training to employees, for offering
14 transportation and child care benefits to employees, for locating places of
15 employment in areas of high unemployment and for employing ex-felons, recipients
16 of public assistance, and minorities. The report shall include an analysis of the costs
17 and effects of such credits and deductions, an analysis of such benefits offered by
18 other states, and recommendations for improvements to the state's tax laws designed
19 to help attract, develop, and retain a highly skilled, highly trained workforce while
20 maintaining a sound, stable tax base. In developing recommendations, the
21 department of revenue shall consult with groups representing the interests of
22 employers, employees, taxpayers, and any other groups that the department of
23 revenue considers appropriate. The report shall be submitted to the appropriate
24 standing committees of the legislature, the joint committee on finance, and the
25 governor.

SECTION 56. Nonstatutory provisions; workforce development.

(1) APPRENTICESHIP MARKETING COUNCIL; INITIAL TERMS. Notwithstanding the length of terms specified for the members of the apprenticeship marketing council under section 15.227 (14) of the statutes, as created by this act, representing the interests of employees and the members of that council representing the interests of employers, the initial members of that council representing the interests of employees and the initial members of that council representing the interests of employers shall be appointed for the following terms:

(a) One member representing employees and one member representing employers, for terms expiring on July 1, 2001.

(b) One member representing employees and one member representing employers, for terms expiring on July 1, 2002.

(c) Two members representing employees and 2 members representing employers, for terms expiring on July 1, 2003.

~~(2) WORKPLACE DIVERSITY GRANT PROGRAM. (a) The department of workforce development shall administer a grant program under which local, nonprofit organizations that offer diversity training, basic employment skills development, or instruction in English as a 2nd language to employees and persons seeking employment may receive grants for the operation of those activities.~~

~~(b) A local, nonprofit organization is qualified for a grant under this subsection if any of the following applies:~~

~~1. The governing body of the local, nonprofit organization is comprised of representatives of private sector employers and local governmental units or agencies, and the local, nonprofit organization assists local employees in meeting their workforce needs.~~

1 2. The local, nonprofit organization assists persons who have been convicted
2 of a crime, whether employed or not, in strengthening or developing their
3 employment skills and in making or easing their transition from incarceration to
4 work.

5 3. The local, nonprofit organization assists any of the following persons,
6 whether employed or not, in preparing for or gaining entry into the skilled trades:

7 a. Persons who are eligible for benefits under the Wisconsin works program
8 under sections 49.141 to 49.161 of the statutes.

9 b. Persons who are military veterans.

10 c. Persons who have been convicted of a crime.

11 d. Persons who are eligible for food stamps under section 49.124 of the statutes.

12 e. Persons who are minority group members, as defined in section 560.036 (1)
13 (f) of the statutes.

14 (c) To the extent practicable, the department of workforce development shall
15 ensure that the grants under this subsection are awarded to local, nonprofit
16 organizations from different geographic regions of the state.

17 (a) To qualify for a grant under this subsection, a local, nonprofit organization
18 must apply to the department of workforce development by December 1, 2001. The
19 application shall describe how the organization qualifies for a grant under
20 paragraphs (a) and (b) and how the organization will use the grant.

21 (b) The department of workforce development shall promulgate emergency
22 rules under section 227.24 of the statutes to establish criteria to be used in
23 determining which qualified local, nonprofit organizations are eligible for grants
24 under this subsection. Notwithstanding section 227.24 (1) (a) and (3) of the statutes,
25 the department of workforce development is not required to provide evidence that

1 promulgating an emergency rule under this paragraph is necessary for the
2 preservation of public peace, health, safety, or welfare, and is not required to provide
3 a finding of emergency for a rule promulgated under this paragraph.

4 (c) The department of workforce development may not expend more than
5 \$30,000 as grants under this subsection for any given local, nonprofit organization.

6 (d) By January 1, 2002, the department of workforce development shall make
7 the grants under this subsection from the appropriation under section 20.445 (1) (d)
8 of the statutes, as created by this act.

9 (e) By September 1, 2002, the department of workforce development shall
10 report on the grant program under this subsection, including the uses that the grant
11 recipients made of the grants and a recommendation on whether the grant program
12 should be funded in the next biennium and, if so, a recommendation of an
13 appropriate funding level and any changes that should be made to the program. The
14 report shall be submitted to the appropriate standing committees of the legislature
15 in the manner provided under section 13.172 (3) of the statutes, to the joint
16 committee on finance, and to the governor.

17 SECTION 57. Appropriation changes.

18 (1) JOB RETENTION SKILLS DEVELOPMENT PROGRAMS. There is transferred from the
19 appropriation to the department of workforce development under section 20.445 (3)
20 (md) of the statutes, as affected by the acts of 2001, to the appropriation to the
21 technical college system college board under section 20.292 (1) (kd) of the statutes,
22 as created by this act, \$200,000 in fiscal year 2001-02.

23 (2) PREAPPRENTICESHIP BASIC SKILLS TRAINING GRANTS. In the schedule under
24 section 20.005 (3) of the statutes for the appropriation to the department of workforce
25 development under section 20.445 (1) (a) of the statutes, as affected by the acts of

1 2001, the dollar amount is increased by \$300,000 for fiscal year 2001–02 and the
2 dollar amount is increased by \$300,000 for fiscal year 2002–03 to increase funding
3 for preapprenticeship basic skills training grants under section 106.01 (13) (b) of the
4 statutes, as created by this act.

5 (3) APPRENTICESHIP MARKETING ACTIVITIES. In the schedule under section 20.005
6 (3) of the statutes for the appropriation to the department of workforce development
7 under section 20.445 (1) (a) of the statutes, as affected by the acts of 2001, the dollar
8 amount is increased by \$150,000 for fiscal year 2001–02 and the dollar amount is
9 increased by \$150,000 for fiscal year 2002–03 to increase funding for the
10 apprenticeship marketing activities specified under section 106.01 (12) of the
11 statutes, as created by this act.

12 (4) APPRENTICESHIP MARKETING POSITIONS. In the schedule under section 20.005
13 (3) of the statutes for the appropriation to the department of workforce development
14 under section 20.445 (1) (a) of the statutes, as affected by the acts of 2001, the dollar
15 amount is increased by \$125,000 for fiscal year 2001–02 and the dollar amount is
16 increased by \$125,000 for fiscal year 2002–03 to increase the authorized FTE
17 positions for the department by 2.0 GPR positions for the marketing of
18 apprenticeship training in this state.

19 (5) INTERNET POSTING OF EMPLOYERS PROVIDING APPRENTICESHIP TRAINING. In the
20 schedule under section 20.005 (3) of the statutes for the appropriation to the
21 department of workforce development under section 20.445 (1) (a) of the statutes, as
22 affected by the acts of 2001, the dollar amount is increased by \$10,000 for fiscal year
23 2001–02 and the dollar amount is increased by \$10,000 for fiscal year 2002–03 to
24 increase funding for the department to post on its Internet site the name and address
25 of, and the numbers of apprentices and journeyman employed by, each person that

2001

Inset 44-2

Nonstat File Sequence: **DDD**

LRB _____/_____/_____

\$\$\$ CHANGE

1. In the component bar:

For the action phrase, execute: create → action: → *NS: → \$change

For the budget action phrase, execute: create → action: → *NS: → 92XX

For the text, execute: create → text: → *NS: → \$change

2. Nonstatutory subunits are numbered automatically. Fill in the SECTION # or subsection # only if a "frozen" number is needed. Below, for the budget, fill in the 9200 department code.

~~SECTION #~~ [92] 1. Appropriation changes;

~~(#1)~~ ~~(K)~~ ~~(CS)~~ TRADE MASTERS PILOT PROGRAM

..... In the schedule under section 20.005 (3) of the statutes for the appropriation to the department of workforce development

under section 20.445. (1)(kt) of the statutes, as affected by the acts of 2001, the dollar amount is increased by \$ 110,000 for fiscal year 2001-02 and the dollar amount is increased by \$ 120,000 for fiscal year 2002-03 [to increase funding

for the [purpose] [purposes] for which the appropriation is made] [to increase funding for to increase the authorized PTE positions for the department by 1.0 PR-S position for the implementation and development of the trade masters pilot program

* Use the 2nd alternative if the purpose of the increase or decrease is more limited than the purpose or purposes of the appropriation as currently shown in the text of ch. 20, stats.

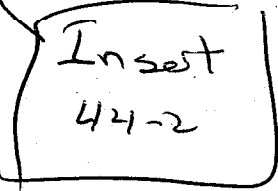
Under section 106.01 (1) of the statutes, as affected by this act.

1 is claiming an industrial, service, and skilled trades apprenticeship tax credit under
2 section 71.07 (5d), 71.28 (5d), or 71.47 (5d) of the statutes, as created by this act.

3 **SECTION 58. Initial applicability.**

4 (1) TRANSFER OF ENVIRONMENTAL REMEDIATION TAX CREDITS. The treatment of
5 section 71.28 (1dx) (b) 1. and 1m. and (f) of the statutes first applies to taxable years
6 beginning on January 1, 2001.

7 (END)



Inset
44-2

Insert PN-1

¶ Trade Master's Pilot Program

¶ Under current law, \$50,000 is provided in fiscal year

2001-02 for DWD to provide a trade master's pilot program postapprenticeship to recognize advanced training and postapprenticeship achievements in achievements in three trades, crafts, or businesses, one of which must which must be in the industrial sector, one in the construction sector, and one in the service sector of the economy.

¶ This bill requires DWD, in selecting the trades, crafts, or businesses to be included in the pilot program, to seek to maximize ~~the~~ participation in the pilot program of minority group members. The bill also requires DWD to submit to the legislature by July 1, 2004, an evaluation of the effectiveness of the program. In addition, the bill appropriates \$110,000 in fiscal year 2001-02 and ~~(and 2002-03)~~ \$120,000 in fiscal year

Insert PM-11

2002-03 To increase the ~~maximum~~ full-time equivalent
positions authorized for DWD by one position for the
implementation and development of the program.

(End insert)

Insert PN-2

⑤④ Nursing Student Loan Forgiveness Program

Under current law, ~~XXXXX~~ \$450,000 is appropriated in fiscal year 2002-03 for HEAB to make loans to defray the cost of tuition, fees, and expenses for persons enrolled in a program in this state that confers an ^{associate} ~~associate~~ degree, a bachelor's degree, or a diploma in nursing or that confers a ^{a second} 2nd degree that will make the person eligible to take the nursing licensure examination. The maximum amount of loans that a person may receive during a fiscal year is \$3,000, and the maximum total amount of loans that a person may receive is loan \$15,000. After the recipient has completed the program, HEAB ^{must} ~~may~~ forgive 25% of the loan's principal and interest after the first full year, and 25% of the loan's principal and interest after the ^{second} 2nd full year, that the loan recipient has been employed full

Insert PN-2

time in this state as a nurse.

9

This bill requires HEAB, to the extent possible, to make those loans to persons who are likely to work in the nursing profession in this state upon completion of the program and who demonstrate a financial need for the loan. The bill also requires HEAB, in making the loans, to give priority to persons who are minority group members and who reside in urban areas of this state that have unemployment rates higher than the state average. In addition, the bill requires HEAB to forgive 50% of the loan's principal and interest after the ~~3rd~~ ^{third} full year that the loan recipient has been employed full time in this state as a nurse.

(end of inset)

1380t

Proof
w/ 2001
Act 16
§ 1380t

Insert 9-24

SEC. 39.393 (2) of the statutes, as created by 2001 Wisconsin

Act 16

account

all loans that a person may receive under this section

39.393

(2) Beginning in the 2002-03 fiscal year, the board shall make loans under this section from the appropriation under s. 20.235 (1) (cm). The maximum amount of loan for a person during any fiscal year is \$3,000. The maximum that a person may receive under this section is \$15,000. The board shall ensure that the terms of the loan do not require a loan recipient to repay the loan while the recipient is enrolled in a program under sub. (1).

Total amount of all loans

To the extent possible, the board shall make

loans under this section to persons who are likely to work in

the nursing profession in this state upon completion of the

program under sub. (1) and who can demonstrate a financial

need for the loan. In making loans under this section, the

board shall give priority to persons who are minority group

members, as defined in s. 560.036 (1) (f), and who reside

Insert 9 = 24 /

In urban areas of this state that have unemployment rates higher than the state average.

1380^e

SEC AM: 39.393 (3) of the statutes, as created by 2001 Wisconsin Act 16

and 50% of the loan's principal and interest after the 3rd full year

strike

5

39.393

(3) After the recipient of a loan under sub. (1) has completed the program described in sub. (1), the board shall forgive 25% of the loan's principal and interest after the first full year and 25% of the loan's principal and interest after the 2nd full year that the recipient has been employed full time in this state as a nurse. The board may forgive loans on a prorated basis for persons who are employed less than full time.

PROOF WITH 2001 ACT 16, §1380t

(ed & insert)

✓

Insert 31-7

as created by 2001 Wisconsin Act 16, is amended

thaw number #

PROOF WITH 2001 Act 16 § 2560r.

SECTION ~~2560r.~~ 106.01 (11) of the statutes ~~is created~~ to read:

106.01 (11) From the appropriation under s. 20.445 (1) (kt), the department shall provide a trade masters pilot program to recognize advanced training and postapprenticeship achievements in 3 trades, crafts, or businesses, one of which shall be in the industrial sector, one in the construction sector, and one in the service sector of the economy. ~~By July 1, 2004, the department~~

Vetoed

~~shall submit to the legislature under s. 13.172 (2) an evaluation of the effectiveness of the program~~

Vetoed In Part

In selecting the trades, crafts, or businesses to be included in the program, the department shall seek to maximize participation in the program of persons who are minority group members, as defined in s. 560.036 (1) (f).
By July 1, 2004, the department shall submit to the legislature under s. 13.172 (2) an evaluation of the effectiveness of the program.
(clerk met)

SEC. CR; 106.29

SECTION 56. Nonstatutory provisions; workforce development.

(1) APPRENTICESHIP MARKETING COUNCIL; INITIAL TERMS. Notwithstanding the length of terms specified for the members of the apprenticeship marketing council under section 15.227 (14) of the statutes, as created by this act, representing the interests of employees and the members of that council representing the interests of employers, the initial members of that council representing the interests of employees and the initial members of that council representing the interests of employers shall be appointed for the following terms:

(a) One member representing employees and one member representing employers, for terms expiring on July 1, 2001.

(b) One member representing employees and one member representing employers, for terms expiring on July 1, 2002.

(c) Two members representing employees and 2 members representing employers, for terms expiring on July 1, 2003.

no caps - small

WORKPLACE DIVERSITY GRANT PROGRAM. The department of workforce development shall administer a grant program under which local, nonprofit organizations that offer diversity training, basic employment skills development, or instruction in English as a 2nd language to employees and persons seeking employment may receive grants for the operation of those activities.

(2) A local, nonprofit organization is qualified for a grant under this subsection if any of the following applies:

(a) The governing body of the local, nonprofit organization is comprised of representatives of private sector employers and local governmental units or agencies, and the local, nonprofit organization assists local employees in meeting their workforce needs.

4

B
106.29

B
D

Section



-41-
Insert Page 33-11

(b)

1 ~~(a)~~ The local, nonprofit organization assists persons who have been convicted
2 of a crime, whether employed or not, in strengthening or developing their
3 employment skills and in making or easing their transition from incarceration to
4 work. (c)

5 ~~(a)~~ The local, nonprofit organization assists any of the following persons,
6 whether employed or not, in preparing for or gaining entry into the skilled trades:

7 (1) ~~(a)~~ Persons who are eligible for benefits under the Wisconsin works program
8 under ~~sections~~ ^{ss.} 49.141 to 49.161 of the statutes.

9 (2) ~~(b)~~ Persons who are military veterans.

10 (3) ~~(c)~~ Persons who have been convicted of a crime.

11 (4) ~~(d)~~ Persons who are eligible for food stamps under ~~section~~ 49.124 of the statutes.

12 (5) ~~(e)~~ Persons who are minority group members, as defined in ~~section~~ ^{s.} 560.036 (1)
13 (f) ~~of the statutes.~~ an initial section

14 (3) ~~(a)~~ To the extent practicable, the department of workforce development shall
15 ensure that the grants under this subsection are awarded to local, nonprofit
16 organizations from different geographic regions of the state. section

17 (4) ~~(a)~~ To qualify for a grant under this subsection, a local, nonprofit organization
18 must apply to the department of workforce development by December 1, 2001. The
19 application shall describe how the organization qualifies for a grant under
20 ~~paragraphs (a) and (b)~~ ^{subs. (1) and (2)} and how the organization will use the grant.

21 (5) ~~(a)~~ The department of workforce development shall promulgate emergency
22 rules under ~~section~~ ^{s.} 227.24 of the statutes to establish criteria to be used in
23 determining which qualified local, nonprofit organizations are eligible for grants
24 under this subsection. ^{section} Notwithstanding ~~section~~ ^{s.} 227.24 (1) (a) and (3) of the statutes,
25 the department of workforce development is not required to provide evidence that

Let 9/21/01

subsection

begin making

1 promulgating an emergency rule under this ~~paragraph~~ is necessary for the
2 preservation of public peace, health, safety, or welfare, and is not required to provide
3 a finding of emergency for a rule promulgated under this ~~paragraph~~.

4 ~~(6)~~ (e), The department ~~of workforce development~~ may not expend more than
5 \$30,000 as grants under this ~~subsection~~ for any given local, nonprofit organization.

6 ~~(7)~~ (d), By January 1, 2002, the department ~~of workforce development~~ shall ~~make~~
7 the grants under this ~~subsection~~ from the appropriation under section 20.445 (1) (d)
8 of the statutes, as created by this act.

9 ~~(8)~~ (e), By September 1, 2002, the department ~~of workforce development~~ shall
10 report on the grant program under this ~~subsection~~, including the uses that the grant
11 recipients made of the grants and a recommendation on whether the grant program
12 should be funded in the next biennium and, if so, a recommendation of an
13 appropriate funding level and any changes that should be made to the program. The
14 report shall be submitted to the appropriate standing committees of the legislature
15 ~~in the manner provided under section 13.172 (3) of the statutes~~, to the joint
16 committee on finance, and to the governor.

SECTION 57. Appropriation changes.

(1) JOB RETENTION SKILLS DEVELOPMENT PROGRAMS. There is transferred from the
appropriation to the department of workforce development under section 20.445 (3)
(md) of the statutes, as affected by the acts of 2001, to the appropriation to the
technical college system college board under section 20.292 (1) (kd) of the statutes,
as created by this act, \$200,000 in fiscal year 2001-02.

(2) PREAPPRENTICESHIP BASIC SKILLS TRAINING GRANTS. In the schedule under
section 20.005 (3) of the statutes for the appropriation to the department of workforce
development under section 20.445 (1) (a) of the statutes, as affected by the acts of

(ed 1/15/01)



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

100 NORTH HAMILTON STREET
5TH FLOOR
MADISON, WI 53701-2037

STEPHEN R. MILLER
CHIEF

LEGAL SECTION: (608) 266-3561
LEGAL FAX: (608) 264-6948

September 21, 2001

MEMORANDUM

To: Legislative Council - JLC

From: Gordon M. Malaise, Senior Legislative Attorney

Re: LRB-3327/1 Legislative Council Committee on Labor Shortage recommendations

The attached draft was prepared at your request. Please review it carefully to ensure that it is accurate and satisfies your intent. If it does and you would like it jacketed for introduction, please indicate below for which house you would like the draft jacketed and return this memorandum to our office. If you have any questions about jacketing, please call our program assistants at 266-3561. Please allow one day for jacketing.

___ JACKET FOR ASSEMBLY JACKET FOR SENATE

If you have any questions concerning the attached draft, or would like to have it redrafted, please contact me at (608) 266-9738 or at the address indicated at the top of this memorandum.

If the last paragraph of the analysis states that a fiscal estimate will be prepared, the LRB will request that it be prepared after the draft is introduced. You may obtain a fiscal estimate on the attached draft before it is introduced by calling our program assistants at 266-3561. Please note that if you have previously requested that a fiscal estimate be prepared on an earlier version of this draft, you will need to call our program assistants in order to obtain a fiscal estimate on this version before it is introduced.

Please call our program assistants at 266 3561 if you have any questions regarding this memorandum.



State of Wisconsin

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

STEPHEN H. MILLER
CHIEF

Lrb

October 9, 2001

MEMORANDUM

To: Terry Anderson

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

Gordon M. Malaise, Sr. Legislative Attorney, (608) 266-9738

Peter R. Grant, Assistant Chief Counsel, (608) 267-3362

Madelon Lief, Legislative Attorney, (608) 267-7380

Pamela J. Kahler, Sr. Legislative Attorney, (608) 266-2682

Michael G. Dsida, Legislative Attorney, (608) 266-9867

Subject: Technical Memorandum to **2001 SB 249** (LRB-3327/1)

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.

LRB

MEMORANDUM

October 9, 2001

TO: Gordon M. Malaise
Joseph Kreye
Peter Grant
Madelon Lief
Pamela Kahler
Ivy Sager-Rosenthal
Michael Dsida
Legislative Reference Bureau

FROM: Brian Pahnke
Department of Revenue

SUBJECT: Technical Memorandum on SB 249: Legislative Council Committee on Labor Shortage Recommendations

The Department has the following comments regarding the bill.

Industrial, Service and Skilled Trades Apprenticeship Credit

The bill provides that a partnership must add the amount of the credit computer under section 71.07(sd) to its income. This is probably meant to be a reference to the credit under 71.07(5d).

To avoid a double tax credit, the author may wish to include language stating that wages which qualify for the apprenticeship credit do not also qualify for the jobs retained or created components of the development zone credits.

The author may wish to clarify that the \$1,400 and \$3,000 credit limits are applicable to each apprentice hired by the employer and not to the employer itself.

The initial applicability date should provide that if the subsection takes effect after July 31, the act first applies to taxable years beginning on January 1 of the year following the year in which the subsection takes effect.

Education Credit

The draft provides that employers may claim 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

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spouse's income that could create legal and administrative problems for employers to comply with the law.

The draft provides in secs. 71.07(5r)(c), 71.28(5r)(c) and 71.47(5r)(c) that a claimant may not claim the credit "for any tuition amounts that the claimant excluded ... under section 127 of the Internal Revenue Code." Section 127 allows an exclusion from gross income of the employee for amounts paid by the employer for educational assistance; it does not allow an exclusion for the claimant. It should be clarified if this provision is intended to deny a credit to a claimant unless the employee reported the tuition payment as income.

The initial applicability date should provide that if the subsection takes effect after July 31, the act first applies to taxable years beginning on January 1 of the year following the year in which the subsection takes effect.

Productivity Enhancement Training Credit

The draft language does not provide that sole proprietorships may claim the productivity enhancement training expense credit even though the analysis indicates that they may. If it is intended that sole proprietors may claim the credit, then the draft should be amended to include sole proprietors.

The draft should clarify that the maximum productivity enhancement training expense credit is \$7,500 for each partnership, limited liability company or tax option corporation, as is suggested in the analysis, rather than for each partner, member or shareholder.

The draft provides in secs. 71.05(6)(a)15, 71.21(4), 71.26(2)(a), 71.34(1)(g) and 71.45(2)(a)10 that the amount of the productivity enhancement training expense credit be added back to taxable income. The bill also provides in secs. 71.07(5v)(d), 71.28(5v)(d) and 71.47(5v)(d) that partnerships, tax-option corporations, corporations and insurance companies cannot claim the credit for amounts that were deducted from income. It is not necessary to have both of these provisions. Since, credits amounts are generally added back to income in lieu of a deduction for the expenses, the provision that prohibits deducting the expenses should be deleted.

The order of computation in sec. 71.10(4) places the credit after all refundable credits, withholding and estimated tax payments. Nonrefundable credits that can be offset against alternative minimum tax are generally located after sec. 71.07(4)(f) and before sec. 71.07(4)(h); those that cannot be offset against the alternative minimum tax are located before sec. 71.10(4)(f).

The credit applies to tax years beginning after December 31, 2000. The forms for tax year 2001 are completed and it is too late to do the necessary computer programming. The credit should be effective for tax years beginning on or after January 1, 2002, and provide that if the subsection takes effect after July 31, the act first applies to taxable years beginning on January 1 of the year following the year in which the subsection takes effect.

Development Zone Credit Transfer

Allowing any corporation to transfer the right to claim the credit to another person adds potential abuse and complexity to the administration of the law, for the taxpayer and the Department. It also is against the principles of sec. 71.30(2) which seek to avoid income, expense and credit

Lrb

shifts between affiliated groups so as to properly tax the entity who earns the income. Affiliated corporations who incur expenses in connection with the development zones and who may have operating losses can shift the credits to other affiliated entities without development zone expenses in order to reduce or eliminate overall tax liability.

Similarly, allowing a corporation entitled to claim development zone credits to claim additional credits for expenses incurred by a municipality or tax-exempt organization seems to violate principles of clearly reflecting income under sec. 71.30(2).

The initial applicability date provides that the provisions first apply to taxable years beginning on January 1, 2001. The forms for tax year 2001 are completed and it is too late to do the necessary computer programming. The credit should be effective for tax years beginning on or after January 1, 2002, and provide that if the subsection takes effect after July 31, the act first applies to taxable years beginning on January 1 of the year following the year in which the subsection takes effect.

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>
one-time	s. 20.566 (1) (a)	\$69,900
annual	s. 20.566 (1) (a)	\$20,800

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

BP: