

**2001 DRAFTING REQUEST**

**Assembly Amendment (AA-ASA1-SB55)**

Received: 06/21/2001

Received By: kahlepj

Wanted: Soon

Identical to LRB:

For: Assembly Republican Caucus 7-0900

By/Representing: Jefferson

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Addl. Drafters:

Subject: Econ. Development - misc.

Extra Copies:

Submit via email: NO

Requester's email:

**Pre Topic:**

ARC:.....Jefferson - AM20,

**Topic:**

Restore technology zones and designate agricultural development zones

**Instructions:**

See Attached

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	kahlepj 06/22/2001			_____			
/1	jkreye 06/22/2001	chanaman 06/23/2001	jfrantze 06/23/2001	_____	lrb_docadmin 06/23/2001		

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/2	kahlepj 06/25/2001	wjackson 06/25/2001	rschluet 06/26/2001	_____	lrb_docadmin 06/26/2001		
	jkreye 06/25/2001	wjackson 06/28/2001		_____			
	jkreye 06/27/2001			_____			
/3			kfollet 06/28/2001	_____	lrb_docadmin 06/28/2001		

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<END>

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		1/3 Wlj 6/28	KJ 6/28	KJ/SELF 6/28			

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12 Wlj 6/25 *[Signature]* PG  
6-26-01

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Extra Copies:

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**Pre Topic:**

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**Topic:**

Restore technology zones and designate agricultural development zones

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**Instructions:**

See Attached

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1?	kahlepj	cmth 1 6/23	J 6/23	J 6/23			

FE Sent For:

<END>

# Budget Amendments 2001 - 2003

Prepared by the Assembly Republican Caucus

**Statement of Intent** Expands number of and raises maximum amount of credit for technology zones. Designates two technology zones as agricultural development zones.

**Legislator** Ward **Amendment** 20

**Legislator 2** **Pass or Fail** Pass

**Legislator 3** **Spending Cut**

**Legislator 4** **Withdrawn**

**Staff contact** Char Rodriguez **Package**

**Agency** Agriculture, Trade, and Consumer Protection

**Summary** The Governor's budget required the Department of Commerce to designate as technology zones up to 20 areas in the state. (Up to seven in 2001-02, seven in 2002-03, and six in 2003-04) The designations would have been for 10 years, and the maximum amount of credits to be claimed in each zone was limited to \$5 million. The Joint Finance Committee required only nine zones and reduced the maximum amount of credits to \$3 million.

This amendment restores the twenty technology zones as proposed in the Governor's budget, and restores the maximum credits to \$5 million.

In addition, the Department of Commerce would be required to designate two of the technology zones as agricultural development zones located in a rural municipality as defined under the Rural Economic Development program and that could exist for 10 years. Provide that agricultural businesses in the zones could claim the following tax credits under the state individual and corporate income and franchise taxes:

1. A development zones investment credit equal to 3.0% of the purchase price of depreciable real and tangible personal property; and
2. The development zones jobs and environmental remediation credit.

Allow unused tax credits to be carried forward up to 15 years to offset future tax liabilities. Limit the maximum amount of credits that could be claimed by agricultural businesses in each zone to \$5 million. Provide that the tax credits would first apply to tax years beginning on or after January 1, 2003. Authorize the Department of Commerce to administer the program under provisions that would be used to administer the technology zones program.

Finally, the Joint Finance Committee allowed the Department of Commerce to designate three technology zones, but come before the JFC for approval of each subsequent zone. This amendment leaves will leave that requirement unchanged.

**Fiscal Impact** There would be little, if any, fiscal effect this biennium. Credits could be claimed for ten years, beginning in the next biennium.

**Drafting Inst**

**ARC Analyst** Jefferson

PJK

**Request #** 138



✓8. **Crop Vandalism and Agriculture Terrorism** (requested by Ott, motion request #297)

MGD

This would create criminal penalties and allow civil action to be brought against anyone who intentionally infects livestock with disease or damages crops by making intentional introductions of contagious diseases and vandalism to crops a felony. It would create unintentional introductions of contagious diseases and vandalism to crops a misdemeanor.

Fiscal Impact: None

✓9. **Restore Economic Development Zones and Earmark Two Dairy Development Zones** (request by Ward, motion request #138)

6/4/78

PJK

This restores the twenty technology zones as proposed in the Governor's budget, and also restores the maximum credits to \$5 million.

In addition, the Department of Commerce would be required to designate two of the technology zones as agricultural development zones located in a rural municipality as defined under the Rural Economic Development program.

Fiscal Impact: There would be little, if any, fiscal effect this biennium. Credits could be claimed for ten years, beginning in the next biennium.

10. **Federal Agricultural Policy Reform** [LFB Paper 217] (Comparative Summary, pg. 144, item #5)

RCT

Instead of "marketing" insert "DATCP's discretion". DATCP would absorb cost from departmental budget as opposed to their marketing budget.

Fiscal Impact: None

11. **Modification for Mergers and Consolidation of Cooperatives** (requested by Ainsworth)

RAC

Fiscal Impact: None

12. **Stray Voltage** (requested by Ott)

MDK

This amendment restores the Farm Rewiring fund under DOA as requested by the Governor, to be funded by DOA Public Benefits. The farm rewiring fund would be a separate, nonlapsing trust under the management of the Investment Board.

Fiscal Impact: Indeterminate at this time. The program has not been implemented and the number of participants is unknown.



State of Wisconsin  
2001 - 2002 LEGISLATURE

LRBb1478  
PJK&JK:.....

*cmk  
PMR*

ARC:.....Jefferson - AM20, Restore technology zones and designate agricultural development zones

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS ASSEMBLY AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 2001 SENATE BILL 55

*6-22-01*

*m*

*Substitute amendment*

1 At the locations indicated, amend the ~~bill~~ as follows:

2 ~~#~~ Page 730, line 23: after "(5)" insert "or 560.798 (3)".

3 ~~#~~ Page 731, line 2: after "(e)" insert "or 560.798".

4 ~~#~~ Page 732, line 16: after "(5)" insert "or 560.798 (3)".

5 ~~#~~ Page 733, line 18: after "(5)" insert "or 560.798 (3)".

6 ~~#~~ Page 734, line 2: after "(5)" insert "or 560.798 (3)".

7 ~~#~~ Page 734, line 8: after that line insert:

8 "SECTION 2146m. 71.07 (2dx) (a) 2. of the statutes is amended to read:

9 71.07 (2dx) (a) 2. "Development zone" means a development zone under s.

10 560.70, a development opportunity zone under s. 560.795 or, an enterprise

an

1 development zone under s. 560.797, or ~~an~~ agricultural development zone under s. ✓  
2 560.798.”

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198.

3 Page 734, line 22: after that line insert:

4 “SECTION 2147d. 71.07 (2dx) (b) (intro.) of the statutes is amended to read:

5 71.07 (2dx) (b) *Credit*. (intro.) Except as provided in s. 73.03 (35) and subject  
6 to s. 560.785, for any taxable year for which the person is entitled under s. 560.795  
7 (3) to claim tax benefits or certified under s. 560.765 (3) ~~or~~ 560.797 (4), or 560.798 (3),  
8 any person may claim as a credit against taxes imposed on the person’s income from  
9 the person’s business activities in a development zone the following amounts:

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198.

10 SECTION 2147g. 71.07 (2dx) (c) of the statutes is amended to read:

11 71.07 (2dx) (c) *Credit precluded*. If the certification of a person for tax benefits  
12 under s. 560.765 (3) ~~or~~ 560.797 (4) or 560.798 (3) is revoked, or if the person becomes  
13 ineligible for tax benefits under s. 560.795 (3), that person may not claim credits  
14 under this subsection for the taxable year that includes the day on which the  
15 certification is revoked; the taxable year that includes the day on which the person  
16 becomes ineligible for tax benefits; or succeeding taxable years and that person may  
17 not carry over unused credits from previous years to offset tax under this chapter for  
18 the taxable year that includes the day on which certification is revoked; the taxable  
19 year that includes the day on which the person becomes ineligible for tax benefits;  
20 or succeeding taxable years.

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198.

21 SECTION 2147h. 71.07 (2dx) (d) of the statutes is amended to read:

22 71.07 (2dx) (d) *Carry-over precluded*. If a person who is entitled under s.  
23 560.795 (3) to claim tax benefits or certified under s. 560.765 (3) ~~or~~ 560.797 (4) or

1 560.798 (3) for tax benefits ceases business operations in the development zone  
 2 during any of the taxable years that that zone exists, that person may not carry over  
 3 to any taxable year following the year during which operations cease any unused  
 4 credits from the taxable year during which operations cease or from previous taxable  
 5 years.”.

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198.

6 # Page 794, line 2: after “(5)” insert “or 560.798 (3)”.

7 # Page 794, line 5: after “(e)” insert “or 560.798”.

8 # Page 795, line 20: after “(5)” insert “or 560.798 (3)”.

9 # Page 796, line 21: after “(5)” insert “or 560.798 (3)”.

10 # Page 797, line 4: after “(5)” insert “or 560.798 (3)”.

11 # Page 797, line 10: after that line insert:

12 “SECTION 2177m. 71.28 (1dx) (a) 2. of the statutes is amended to read:

13 71.28 (1dx) (a) 2. “Development zone” means a development zone under s.  
 14 560.70, a development opportunity zone under s. 560.795 or, an enterprise  
 15 development zone under s. 560.797, or an agricultural development zone under s.  
 16 560.798.”.

History: 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9.

17 # Page 797, line 24: after that line insert:

18 “SECTION 2178d. 71.28 (1dx) (b) (intro.) of the statutes is amended to read:

19 71.28 (1dx) (b) *Credit*. (intro.) Except as provided in s. 73.03 (35) and subject  
 20 to s. 560.785, for any taxable year for which the person is entitled under s. 560.795  
 21 (3) to claim tax benefits or certified under s. 560.765 (3) or, 560.797 (4) or 560.798 (3),  
 22 any person may claim as a credit against taxes imposed on the person’s income from

1 the person's business activities in a development zone under this subchapter the  
2 following amounts:

History: 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9.

3 **SECTION 2178g.** 71.28 (1dx) (c) of the statutes is amended to read:

4 71.28 (1dx) (c) *Credit precluded.* If the certification of a person for tax benefits  
5 under s. 560.765 (3) ~~or~~, 560.797 (4) or 560.798 (3) is revoked, or if the person becomes  
6 ineligible for tax benefits under s. 560.795 (3), that person may not claim credits  
7 under this subsection for the taxable year that includes the day on which the  
8 certification is revoked; the taxable year that includes the day on which the person  
9 becomes ineligible for tax benefits; or succeeding taxable years and that person may  
10 not carry over unused credits from previous years to offset tax under this chapter for  
11 the taxable year that includes the day on which certification is revoked; the taxable  
12 year that includes the day on which the person becomes ineligible for tax benefits;  
13 or succeeding taxable years.

History: 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9.

14 **SECTION 2178h.** 71.28 (1dx) (d) of the statutes is amended to read:

15 71.28 (1dx) (d) *Carry-over precluded.* If a person who is entitled under s.  
16 560.795 (3) to claim tax benefits or certified under s. 560.765 (3) ~~or~~, 560.797 (4) or  
17 560.798 (3) for tax benefits ceases business operations in the development zone  
18 during any of the taxable years that that zone exists, that person may not carry over  
19 to any taxable year following the year during which operations cease any unused  
20 credits from the taxable year during which operations cease or from previous taxable  
21 years.”.

History: 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9.

22 # Page 826, line 21: after “(5)” insert “or 560.798 (3)”.

23 # Page 826, line 24: after “(e)” insert “or 560.798”.

1 # Page 828, line 14: after “(5)” insert “or 560.798 (3)”. ✓

2 # Page 829, line 16: after “(5)” insert “or 560.798 (3)”. ✓

3 # Page 829, line 24: after “(5)” insert “or 560.798 (3)”. ✓

4 # Page 830, line 5: after that line insert:

5 “SECTION 2191m. 71.47 (1dx) (a) 2. of the statutes is amended to read:

6 71.47 (1dx) (a) 2. “Development zone” means a development zone under s.  
7 560.70, a development opportunity zone under s. 560.795 or an enterprise  
8 development zone under s. 560.797, or an agricultural development zone under s.  
9 560.798.”.

History: 1987 a. 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9.

10 #. Page 830, line 19: after that line insert:

11 “SECTION 2192d. 71.47 (1dx) (b) (intro.) of the statutes is amended to read: ✓

12 71.47 (1dx) (b) *Credit*. (intro.) Except or provided in s. 73.03 (35) and subject  
13 to s. 560.785, for any taxable year for which the person is entitled under s. 560.795  
14 (3) to claim tax benefits or certified under s. 560.765 (3) ~~or~~ 560.797 (4) or 560.798 (3),  
15 any person may claim as a credit against taxes imposed on the person’s income from  
16 the person’s business activities in a development zone under this subchapter the  
17 following amounts:

History: 1987 a. 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9.

18 SECTION 2192g. 71.47 (1dx) (c) of the statutes is amended to read:

19 71.47 (1dx) (c) *Credit precluded*. If the certification of a person for tax benefits  
20 under s. 560.765 (3) ~~or~~ 560.797 (4) or 560.798 (3) is revoked, or if the person becomes  
21 ineligible for tax benefits under s. 560.795 (3), that person may not claim credits  
22 under this subsection for the taxable year that includes the day on which the  
23 certification is revoked; the taxable year that includes the day on which the person

1 becomes ineligible for tax benefits; or succeeding taxable years and that person may  
 2 not carry over unused credits from previous years to offset tax under this chapter for  
 3 the taxable year that includes the day on which certification is revoked; the taxable  
 4 year that includes the day on which the person becomes ineligible for tax benefits;  
 5 or succeeding taxable years.

History: 1987 a. 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9.

6 **SECTION 2192h.** 71.47 (1dx) (d) of the statutes is amended to read:

7 71.47 (1dx) (d) *Carry-over precluded.* If a person who is entitled under s.  
 8 560.795 (3) to claim tax benefits or certified under s. 560.765 (3) ~~or~~, 560.797 (4) or  
 9 560.798 (3) for tax benefits ceases business operations in the development zone  
 10 during any of the taxable years that that zone exists, that person may not carry over  
 11 to any taxable year following the year during which operations cease any unused  
 12 credits from the taxable year during which operations cease or from previous taxable  
 13 years.”.

History: 1987 a. 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9.

14 ~~#1~~ Page 1173, line 3: delete that line and substitute: “that in s.

15 ~~#2~~. Page 1173, line 1: delete “par. (b)” and substitute “pars. (b) and (c)”.

16 ~~#3~~. Page 1173, line 8: after that line insert:

17 “SECTION 3700d. 560.70 (7) (c) of the statutes is created to read:

18 560.70 (7) (c) In s. 560.798, “tax benefits” means the development zones capital  
 19 investment credit under ss. 71.07 (2dm), 71.28 (1dm), and 71.47 (1dm) and the  
 20 development zones credit under ss. 71.07 (2dx), 71.28 (1dx), and 71.47 (1dx).”.

21 ~~#4~~. Page 1175, line 24: after that line insert:

22 “SECTION 3708m. 560.798 of the statutes is created to read:

1           **560.798 Agricultural development zones.** (1) In this section, “rural  
2 municipality” means any of the following:

3           (a) A city, town, or village that is located in a county with a population density  
4 of less than 150 persons per square mile.

5           (b) A city, town, or village with a population of 6,000 or less.

6           (2) (a) The department shall designate 2 areas in the state as agricultural  
7 development zones. Each area must be located in a rural municipality. An  
8 agricultural business that is located in an agricultural development zone and that  
9 is certified by the department under sub. (3) is eligible for tax benefits as provided  
10 in sub. (3).

11           (b) The designation of an area as an agricultural development zone shall be in  
12 effect for 10 years from the time that the department first designates the area.  
13 However, not more than \$5,000,000 in tax benefits may be claimed in an agricultural  
14 development zone. The department may change the boundaries of an agricultural  
15 development zone during the time that its designation is in effect. A change in the  
16 boundaries of an agricultural development zone does not affect the duration of the  
17 designation of the area or the maximum tax benefit amount that may be claimed in  
18 the agricultural development zone.

19           (3) (a) The department may certify for tax benefits in an agricultural  
20 development zone a new or expanding agricultural business that is located in the  
21 agricultural development zone. In determining whether to certify a business under  
22 this subsection, the department shall consider, among other things, the number of  
23 jobs that will be created or retained by the business.

24           (b) When the department certifies an agricultural business under this  
25 subsection, the department shall establish a limit on the amount of tax benefits that



1 the business may claim. The department shall enter into an agreement with the  
2 business that specifies the limit on the amount of tax benefits that the business may  
3 claim and reporting requirements with which the business must comply.

4 (4) (a) The department of commerce shall notify the department of revenue of  
5 all the following:

6 1. An agricultural development zone's designation. ✓

7 2. A business' certification and the limit on the amount of tax benefits that the  
8 business may claim.

9 3. The revocation of a business' certification.

10 (b) The department shall annually verify information submitted to the  
11 department under s. 71.07 (2dm)-or (2dx), 71.28 (1dm) or (1dx), or 71.47 (1dm) or  
12 (1dx). ✓

13 (5) The department shall promulgate rules for the operation of this section,  
14 including rules related to all the following:

15 (a) Criteria for designating an area as an agricultural development zone. ✓

16 (b) Criteria for certifying a business for tax benefits.

17 (c) Standards for establishing the limit on the amount of tax benefits that a  
18 business may claim.

19 (d) Reporting requirements for certified businesses.

20 (e) The exchange of information between the department of commerce and the  
21 department of revenue.

22 (f) Reasons for revoking a business' certification.

23 (g) Standards for changing the boundaries of an agricultural development  
24 zone." ✓

25 # Page 1176, line 23: delete "6" and substitute "15". ✓



1 ~~##~~ Page 1177, line 3: delete "\$3,000,000" and substitute "\$5,000,000".

2 ~~##~~ Page 1408, line 9: after that line insert:

3 <sup>(nk)</sup> "(30~~add~~) AGRICULTURAL DEVELOPMENT ZONES. The treatment of sections 71.07  
4 (2dx) (a) 2., (b) (intro.), (c) and (d), 71.28 (1dx) (a) 2., (b) (intro.), (c) and (d), 71.47 (1dx)  
5 (a) 2., (b) (intro.), (c) and (d), and 560.798 of the statutes first applies to taxable years  
6 beginning on January 1, 2003." .

7 (END)

initial  
app

4  
5



State of Wisconsin  
2001 - 2002 LEGISLATURE

LRBb1478/2  
PJK&JK:cmh:jf  
r m i n n e r  
E. W. J.

ARC:.....Jefferson - AM20, Restore technology zones and designate agricultural development zones

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS ASSEMBLY AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 2001 SENATE BILL 55

*D-note*

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 730, line 23: after "(5)" insert "or 560.798 (3)".

3 2. Page 731, line 2: after "(e)" insert "or 560.798".

4 3. Page 732, line 16: after "(5)" insert "or 560.798 (3)".

5 4. Page 733, line 18: after "(5)" insert "or 560.798 (3)".

6 5. Page 734, line 2: after "(5)" insert "or 560.798 (3)".

7 6. Page 734, line 8: after that line insert:

8 "SECTION 2146m. 71.07 (2dx) (a) 2. of the statutes is amended to read:

1           71.07 (2dx) (a) 2. “Development zone” means a development zone under s.  
2   560.70, a development opportunity zone under s. 560.795 ~~or~~, an enterprise  
3   development zone under s. 560.797, or an agricultural development zone under s.  
4   560.798.”.

5           **7.** Page 734, line 22: after that line insert:

6           **“SECTION 2147d.** 71.07 (2dx) (b) (intro.) of the statutes is amended to read:

7           71.07 (2dx) (b) *Credit.* (intro.) Except as provided in s. 73.03 (35) and subject  
8   to s. 560.785, for any taxable year for which the person is entitled under s. 560.795  
9   (3) to claim tax benefits or certified under s. 560.765 (3) ~~or~~, 560.797 (4) or 560.798 (3),  
10   any person may claim as a credit against taxes imposed on the person’s income from  
11   the person’s business activities in a development zone the following amounts:

12           **SECTION 2147g.** 71.07 (2dx) (c) of the statutes is amended to read:

13           71.07 (2dx) (c) *Credit precluded.* If the certification of a person for tax benefits  
14   under s. 560.765 (3) ~~or~~, 560.797 (4) or 560.798 (3) is revoked, or if the person becomes  
15   ineligible for tax benefits under s. 560.795 (3), that person may not claim credits  
16   under this subsection for the taxable year that includes the day on which the  
17   certification is revoked; the taxable year that includes the day on which the person  
18   becomes ineligible for tax benefits; or succeeding taxable years and that person may  
19   not carry over unused credits from previous years to offset tax under this chapter for  
20   the taxable year that includes the day on which certification is revoked; the taxable  
21   year that includes the day on which the person becomes ineligible for tax benefits;  
22   or succeeding taxable years.

23           **SECTION 2147h.** 71.07 (2dx) (d) of the statutes is amended to read:

1           71.07 (2dx) (d) *Carry-over precluded.* If a person who is entitled under s.  
2           560.795 (3) to claim tax benefits or certified under s. 560.765 (3) or, 560.797 (4) or  
3           560.798 (3) for tax benefits ceases business operations in the development zone  
4           during any of the taxable years that that zone exists, that person may not carry over  
5           to any taxable year following the year during which operations cease any unused  
6           credits from the taxable year during which operations cease or from previous taxable  
7           years.”.

8           **8.** Page 794, line 2: after “(5)” insert “or 560.798 (3)”.

9           **9.** Page 794, line 5: after “(e)” insert “or 560.798”.

10          **10.** Page 795, line 20: after “(5)” insert “or 560.798 (3)”.

11          **11.** Page 796, line 21: after “(5)” insert “or 560.798 (3)”.

12          **12.** Page 797, line 4: after “(5)” insert “or 560.798 (3)”.

13          **13.** Page 797, line 10: after that line insert:

14          “**SECTION 2177m.** 71.28 (1dx) (a) 2. of the statutes is amended to read:

15               71.28 (1dx) (a) 2. “Development zone” means a development zone under s.  
16               560.70, a development opportunity zone under s. 560.795 or, an enterprise  
17               development zone under s. 560.797, or an agricultural development zone under s.  
18               560.798.”.

19          **14.** Page 797, line 24: after that line insert:

20          “**SECTION 2178d.** 71.28 (1dx) (b) (intro.) of the statutes is amended to read:

21               71.28 (1dx) (b) *Credit.* (intro.) Except as provided in s. 73.03 (35) and subject  
22               to s. 560.785, for any taxable year for which the person is entitled under s. 560.795  
23               (3) to claim tax benefits or certified under s. 560.765 (3) or, 560.797 (4) or 560.798 (3),  
24               any person may claim as a credit against taxes imposed on the person’s income from

1 the person's business activities in a development zone under this subchapter the  
2 following amounts:

3 **SECTION 2178g.** 71.28 (1dx) (c) of the statutes is amended to read:

4 71.28 (1dx) (c) *Credit precluded.* If the certification of a person for tax benefits  
5 under s. 560.765 (3) ~~or~~, 560.797 (4) or 560.798 (3) is revoked, or if the person becomes  
6 ineligible for tax benefits under s. 560.795 (3), that person may not claim credits  
7 under this subsection for the taxable year that includes the day on which the  
8 certification is revoked; the taxable year that includes the day on which the person  
9 becomes ineligible for tax benefits; or succeeding taxable years and that person may  
10 not carry over unused credits from previous years to offset tax under this chapter for  
11 the taxable year that includes the day on which certification is revoked; the taxable  
12 year that includes the day on which the person becomes ineligible for tax benefits;  
13 or succeeding taxable years.

14 **SECTION 2178h.** 71.28 (1dx) (d) of the statutes is amended to read:

15 71.28 (1dx) (d) *Carry-over precluded.* If a person who is entitled under s.  
16 560.795 (3) to claim tax benefits or certified under s. 560.765 (3) ~~or~~, 560.797 (4) or  
17 560.798 (3) for tax benefits ceases business operations in the development zone  
18 during any of the taxable years that that zone exists, that person may not carry over  
19 to any taxable year following the year during which operations cease any unused  
20 credits from the taxable year during which operations cease or from previous taxable  
21 years.”.

22 **15.** Page 826, line 21: after “(5)” insert “or 560.798 (3)”.

23 **16.** Page 826, line 24: after “(e)” insert “or 560.798”.

24 **17.** Page 828, line 14: after “(5)” insert “or 560.798 (3)”.

1           **18.** Page 829, line 16: after “(5)” insert “or 560.798 (3)”.

2           **19.** Page 829, line 24: after “(5)” insert “or 560.798 (3)”.

3           **20.** Page 830, line 5: after that line insert:

4           “**SECTION 2191m.** 71.47 (1dx) (a) 2. of the statutes is amended to read:

5           71.47 (1dx) (a) 2. “Development zone” means a development zone under s.  
6           560.70, a development opportunity zone under s. 560.795 or an enterprise  
7           development zone under s. 560.797, or an agricultural development zone under s.  
8           560.798.”.

9           **21.** Page 830, line 19: after that line insert:

10          “**SECTION 2192d.** 71.47 (1dx) (b) (intro.) of the statutes is amended to read:

11          71.47 (1dx) (b) *Credit.* (intro.) Except or provided in s. 73.03 (35) and subject  
12          to s. 560.785, for any taxable year for which the person is entitled under s. 560.795  
13          (3) to claim tax benefits or certified under s. 560.765 (3) ~~or~~ 560.797 (4) or 560.798 (3),  
14          any person may claim as a credit against taxes imposed on the person’s income from  
15          the person’s business activities in a development zone under this subchapter the  
16          following amounts:

17          **SECTION 2192g.** 71.47 (1dx) (c) of the statutes is amended to read:

18          71.47 (1dx) (c) *Credit precluded.* If the certification of a person for tax benefits  
19          under s. 560.765 (3) ~~or~~ 560.797 (4) or 560.798 (3) is revoked, or if the person becomes  
20          ineligible for tax benefits under s. 560.795 (3), that person may not claim credits  
21          under this subsection for the taxable year that includes the day on which the  
22          certification is revoked; the taxable year that includes the day on which the person  
23          becomes ineligible for tax benefits; or succeeding taxable years and that person may  
24          not carry over unused credits from previous years to offset tax under this chapter for

1 the taxable year that includes the day on which certification is revoked; the taxable  
2 year that includes the day on which the person becomes ineligible for tax benefits;  
3 or succeeding taxable years.

4 **SECTION 2192h.** 71.47 (1dx) (d) of the statutes is amended to read:

5 71.47 (1dx) (d) *Carry-over precluded.* If a person who is entitled under s.  
6 560.795 (3) to claim tax benefits or certified under s. 560.765 (3) ~~or~~, 560.797 (4) or  
7 560.798 (3) for tax benefits ceases business operations in the development zone  
8 during any of the taxable years that that zone exists, that person may not carry over  
9 to any taxable year following the year during which operations cease any unused  
10 credits from the taxable year during which operations cease or from previous taxable  
11 years.”.

12 **22.** Page 1173, line 1: delete “par. (b)” and substitute “pars. (b) and (c)”.

13 **23.** Page 1173, line 8: after that line insert:

14 “**SECTION 3700d.** 560.70 (7) (c) of the statutes is created to read:

15 560.70 (7) (c) In s. 560.798, “tax benefits” means the development zones capital  
16 investment credit under ss. 71.07 (2dm), 71.28 (1dm), and 71.47 (1dm) and the  
17 development zones credit under ss. 71.07 (2dx), 71.28 (1dx), and 71.47 (1dx).”.

18 **24.** Page 1175, line 24: after that line insert:

19 “**SECTION 3708m.** 560.798 of the statutes is created to read:

20 **560.798 Agricultural development zones. (1)** In this section, “rural  
21 municipality” means any of the following:

22 (a) A city, town, or village that is located in a county with a population density  
23 of less than 150 persons per square mile.

24 (b) A city, town, or village with a population of 6,000 or less.



1           (2) (a) The department shall designate 2 areas in the state as agricultural  
2 development zones. Each area must be located in a rural municipality. An  
3 agricultural business that is located in an agricultural development zone and that  
4 is certified by the department under sub. (3) is eligible for tax benefits as provided  
5 in sub. (3).

6           (b) The designation of an area as an agricultural development zone shall be in  
7 effect for 10 years from the time that the department first designates the area.  
8 However, not more than \$5,000,000 in tax benefits may be claimed in an agricultural  
9 development zone. The department may change the boundaries of an agricultural  
10 development zone during the time that its designation is in effect. A change in the  
11 boundaries of an agricultural development zone does not affect the duration of the  
12 designation of the area or the maximum tax benefit amount that may be claimed in  
13 the agricultural development zone.

14           (3) (a) The department may certify for tax benefits in an agricultural  
15 development zone a new or expanding agricultural business that is located in the  
16 agricultural development zone. In determining whether to certify a business under  
17 this subsection, the department shall consider, among other things, the number of  
18 jobs that will be created or retained by the business.

19           (b) When the department certifies an agricultural business under this  
20 subsection, the department shall establish a limit on the amount of tax benefits that  
21 the business may claim. The department shall enter into an agreement with the  
22 business that specifies the limit on the amount of tax benefits that the business may  
23 claim and reporting requirements with which the business must comply.

24           (4) (a) The department of commerce shall notify the department of revenue of  
25 all the following:

1           1. An agricultural development zone's designation.

2           2. A business' certification and the limit on the amount of tax benefits that the  
3 business may claim.

4           3. The revocation of a business' certification.

5           (b) The department shall annually verify information submitted to the  
6 department under s. 71.07 (2dm) or (2dx), 71.28 (1dm) or (1dx), or 71.47 (1dm) or  
7 (1dx).

8           (5) The department shall promulgate rules for the operation of this section,  
9 including rules related to all the following:

10           (a) Criteria for designating an area as an agricultural development zone.

11           (b) Criteria for certifying a business for tax benefits.

12           (c) Standards for establishing the limit on the amount of tax benefits that a  
13 business may claim.

14           (d) Reporting requirements for certified businesses.

15           (e) The exchange of information between the department of commerce and the  
16 department of revenue.

17           (f) Reasons for revoking a business' certification.

18           (g) Standards for changing the boundaries of an agricultural development  
19 zone.”.

20           **25.** Page 1176, line 23: delete “6” and substitute “15”.

21           **26.** Page 1177, line 3: delete “\$3,000,000” and substitute “\$5,000,000”.

22           **27.** Page 1408, line 9: after that line insert:

23           “(30nk) AGRICULTURAL DEVELOPMENT ZONES. The treatment of sections 71.07  
24 (2dx) (a) 2., (b) (intro.), (c), and (d), 71.28 (1dx) (a) 2., (b) (intro.), (c), and (d), 71.47

1 (1dx) (a) 2., (b) (intro.), (c), and (d), and 560.798 of the statutes first applies to taxable  
2 years beginning on January 1, 2003.”

3 (END)

*(with respect to claiming tax credits)*

*D-note*

PJK:WLj:

J-note

¶ This redraft clarifies that, with  
respect<sup>=</sup> respect to the agricultural development zones,<sup>^</sup>  
only claiming the tax credits is ~~delayed~~  
delayed to taxable years beginning on  
January 1, 2003<sup>o</sup>

PJK

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRBb1478/2dn  
PJK:wlj:rs

June 26, 2001

This redraft clarifies that, with respect to the agricultural development zones, only claiming the tax credits is delayed to taxable years beginning on January 1, 2003.

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State of Wisconsin  
2001 - 2002 LEGISLATURE

LRBb1478/2  
PJK&JK:cmh&wlj:rs

3

RM mtr

ARC:.....Jefferson - AM20, Restore technology zones and designate agricultural development zones

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

**CAUCUS ASSEMBLY AMENDMENT**

**TO ASSEMBLY SUBSTITUTE AMENDMENT 1,**

**TO 2001 SENATE BILL 55**

*in 6-27-01*

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 730, line 23: after “(5)” insert “or 560.798 (3)”.

3 **2.** Page 731, line 2: after “(e)” insert “or 560.798”.

4 **3.** Page 732, line 16: after “(5)” insert “or 560.798 (3)”.

5 **4.** Page 733, line 18: after “(5)” insert “or 560.798 (3)”.

6 **5.** Page 734, line 2: after “(5)” insert “or 560.798 (3)”.

7 **6.** Page 734, line 8: after that line insert:

8 **“SECTION 2146m.** 71.07 (2dx) (a) 2. of the statutes is amended to read:

1           71.07 (2dx) (a) 2. “Development zone” means a development zone under s.  
2           560.70, a development opportunity zone under s. 560.795 ~~or~~, an enterprise  
3           development zone under s. 560.797, or an agricultural development zone under s.  
4           560.798.”

5           **7.** Page 734, line 22: after that line insert:

6           **“SECTION 2147d.** 71.07 (2dx) (b) (intro.) of the statutes is amended to read:

7           71.07 (2dx) (b) *Credit.* (intro.) Except as provided in s. 73.03 (35) and subject  
8           to s. 560.785, for any taxable year for which the person is entitled under s. 560.795  
9           (3) to claim tax benefits or certified under s. 560.765 (3) ~~or~~, 560.797 (4) or 560.798 (3),  
10          any person may claim as a credit against taxes imposed on the person’s income from  
11          the person’s business activities in a development zone the following amounts:

12          **SECTION 2147g.** 71.07 (2dx) (c) of the statutes is amended to read:

13          71.07 (2dx) (c) *Credit precluded.* If the certification of a person for tax benefits  
14          under s. 560.765 (3) ~~or~~, 560.797 (4) or 560.798 (3) is revoked, or if the person becomes  
15          ineligible for tax benefits under s. 560.795 (3), that person may not claim credits  
16          under this subsection for the taxable year that includes the day on which the  
17          certification is revoked; the taxable year that includes the day on which the person  
18          becomes ineligible for tax benefits; or succeeding taxable years and that person may  
19          not carry over unused credits from previous years to offset tax under this chapter for  
20          the taxable year that includes the day on which certification is revoked; the taxable  
21          year that includes the day on which the person becomes ineligible for tax benefits;  
22          or succeeding taxable years.

23          **SECTION 2147h.** 71.07 (2dx) (d) of the statutes is amended to read:

1           71.07 (2dx) (d) *Carry-over precluded.* If a person who is entitled under s.  
2           560.795 (3) to claim tax benefits or certified under s. 560.765 (3) ~~or~~, 560.797 (4) or  
3           560.798 (3) for tax benefits ceases business operations in the development zone  
4           during any of the taxable years that that zone exists, that person may not carry over  
5           to any taxable year following the year during which operations cease any unused  
6           credits from the taxable year during which operations cease or from previous taxable  
7           years.”.

8           **8.** Page 794, line 2: after “(5)” insert “or 560.798 (3)”.

9           **9.** Page 794, line 5: after “(e)” insert “or 560.798”.

10          **10.** Page 795, line 20: after “(5)” insert “or 560.798 (3)”.

11          **11.** Page 796, line 21: after “(5)” insert “or 560.798 (3)”.

12          **12.** Page 797, line 4: after “(5)” insert “or 560.798 (3)”.

13          **13.** Page 797, line 10: after that line insert:

14          “**SECTION 2177m.** 71.28 (1dx) (a) 2. of the statutes is amended to read:

15           71.28 (1dx) (a) 2. “Development zone” means a development zone under s.  
16           560.70, a development opportunity zone under s. 560.795 ~~or~~, an enterprise  
17           development zone under s. 560.797, or an agricultural development zone under s.  
18           560.798.”.

19          **14.** Page 797, line 24: after that line insert:

20          “**SECTION 2178d.** 71.28 (1dx) (b) (intro.) of the statutes is amended to read:

21           71.28 (1dx) (b) *Credit.* (intro.) Except as provided in s. 73.03 (35) and subject  
22           to s. 560.785, for any taxable year for which the person is entitled under s. 560.795  
23           (3) to claim tax benefits or certified under s. 560.765 (3) ~~or~~, 560.797 (4) or 560.798 (3),  
24           any person may claim as a credit against taxes imposed on the person’s income from



1 the person's business activities in a development zone under this subchapter the  
2 following amounts:

3 **SECTION 2178g.** 71.28 (1dx) (c) of the statutes is amended to read:

4 71.28 (1dx) (c) *Credit precluded.* If the certification of a person for tax benefits  
5 under s. 560.765 (3) ~~or~~, 560.797 (4) or 560.798 (3) is revoked, or if the person becomes  
6 ineligible for tax benefits under s. 560.795 (3), that person may not claim credits  
7 under this subsection for the taxable year that includes the day on which the  
8 certification is revoked; the taxable year that includes the day on which the person  
9 becomes ineligible for tax benefits; or succeeding taxable years and that person may  
10 not carry over unused credits from previous years to offset tax under this chapter for  
11 the taxable year that includes the day on which certification is revoked; the taxable  
12 year that includes the day on which the person becomes ineligible for tax benefits;  
13 or succeeding taxable years.

14 **SECTION 2178h.** 71.28 (1dx) (d) of the statutes is amended to read:

15 71.28 (1dx) (d) *Carry-over precluded.* If a person who is entitled under s.  
16 560.795 (3) to claim tax benefits or certified under s. 560.765 (3) ~~or~~, 560.797 (4) or  
17 560.798 (3) for tax benefits ceases business operations in the development zone  
18 during any of the taxable years that that zone exists, that person may not carry over  
19 to any taxable year following the year during which operations cease any unused  
20 credits from the taxable year during which operations cease or from previous taxable  
21 years.”.

22 **15.** Page 826, line 21: after “(5)” insert “or 560.798 (3)”.

23 **16.** Page 826, line 24: after “(e)” insert “or 560.798”.

24 **17.** Page 828, line 14: after “(5)” insert “or 560.798 (3)”.

1           **18.** Page 829, line 16: after “(5)” insert “or 560.798 (3)”.

2           **19.** Page 829, line 24: after “(5)” insert “or 560.798 (3)”.

3           **20.** Page 830, line 5: after that line insert:

4           “**SECTION 2191m.** 71.47 (1dx) (a) 2. of the statutes is amended to read:

5           71.47 (1dx) (a) 2. “Development zone” means a development zone under s.  
6           560.70, a development opportunity zone under s. 560.795 or an enterprise  
7           development zone under s. 560.797, or an agricultural development zone under s.  
8           560.798.”.

9           **21.** Page 830, line 19: after that line insert:

10           “**SECTION 2192d.** 71.47 (1dx) (b) (intro.) of the statutes is amended to read:

11           71.47 (1dx) (b) *Credit.* (intro.) Except or provided in s. 73.03 (35) and subject  
12           to s. 560.785, for any taxable year for which the person is entitled under s. 560.795  
13           (3) to claim tax benefits or certified under s. 560.765 (3) ~~or~~ 560.797 (4) or 560.798 (3),  
14           any person may claim as a credit against taxes imposed on the person’s income from  
15           the person’s business activities in a development zone under this subchapter the  
16           following amounts:

17           **SECTION 2192g.** 71.47 (1dx) (c) of the statutes is amended to read:

18           71.47 (1dx) (c) *Credit precluded.* If the certification of a person for tax benefits  
19           under s. 560.765 (3) ~~or~~ 560.797 (4) or 560.798 (3) is revoked, or if the person becomes  
20           ineligible for tax benefits under s. 560.795 (3), that person may not claim credits  
21           under this subsection for the taxable year that includes the day on which the  
22           certification is revoked; the taxable year that includes the day on which the person  
23           becomes ineligible for tax benefits; or succeeding taxable years and that person may  
24           not carry over unused credits from previous years to offset tax under this chapter for

1 the taxable year that includes the day on which certification is revoked; the taxable  
2 year that includes the day on which the person becomes ineligible for tax benefits;  
3 or succeeding taxable years.

4 **SECTION 2192h.** 71.47 (1dx) (d) of the statutes is amended to read:

5 71.47 (1dx) (d) *Carry-over precluded.* If a person who is entitled under s.  
6 560.795 (3) to claim tax benefits or certified under s. 560.765 (3) ~~or~~ 560.797 (4) or  
7 560.798 (3) for tax benefits ceases business operations in the development zone  
8 during any of the taxable years that that zone exists, that person may not carry over  
9 to any taxable year following the year during which operations cease any unused  
10 credits from the taxable year during which operations cease or from previous taxable  
11 years.”.

12 **22.** Page 1173, line 1: delete “par. (b)” and substitute “pars. (b) and (c)”.

13 **23.** Page 1173, line 8: after that line insert:

14 “**SECTION 3700d.** 560.70 (7) (c) of the statutes is created to read:

15 560.70 (7) (c) In s. 560.798, “tax benefits” means the development zones capital  
16 investment credit under ss. 71.07 (2dm), 71.28 (1dm), and 71.47 (1dm) and the  
17 development zones credit under ss. 71.07 (2dx), 71.28 (1dx), and 71.47 (1dx).”.

18 **24.** Page 1175, line 24: after that line insert:

19 “**SECTION 3708m.** 560.798 of the statutes is created to read:

20 **560.798 Agricultural development zones.** (1) In this section, “rural  
21 municipality” means any of the following:

22 (a) A city, town, or village that is located in a county with a population density  
23 of less than 150 persons per square mile.

24 (b) A city, town, or village with a population of 6,000 or less.

1           (2) (a) The department shall designate 2 areas in the state as agricultural  
2 development zones. Each area must be located in a rural municipality. An  
3 agricultural business that is located in an agricultural development zone and that  
4 is certified by the department under sub. (3) is eligible for tax benefits as provided  
5 in sub. (3).

6           (b) The designation of an area as an agricultural development zone shall be in  
7 effect for 10 years from the time that the department first designates the area.  
8 However, not more than \$5,000,000 in tax benefits may be claimed in an agricultural  
9 development zone. The department may change the boundaries of an agricultural  
10 development zone during the time that its designation is in effect. A change in the  
11 boundaries of an agricultural development zone does not affect the duration of the  
12 designation of the area or the maximum tax benefit amount that may be claimed in  
13 the agricultural development zone.

14           (3) (a) The department may certify for tax benefits in an agricultural  
15 development zone a new or expanding agricultural business that is located in the  
16 agricultural development zone. In determining whether to certify a business under  
17 this subsection, the department shall consider, among other things, the number of  
18 jobs that will be created or retained by the business.

19           (b) When the department certifies an agricultural business under this  
20 subsection, the department shall establish a limit on the amount of tax benefits that  
21 the business may claim. The department shall enter into an agreement with the  
22 business that specifies the limit on the amount of tax benefits that the business may  
23 claim and reporting requirements with which the business must comply.

24           (4) (a) The department of commerce shall notify the department of revenue of  
25 all the following:

- 1           1. An agricultural development zone's designation.
- 2           2. A business' certification and the limit on the amount of tax benefits that the  
3 business may claim.
- 4           3. The revocation of a business' certification.
- 5           (b) The department shall annually verify information submitted to the  
6 department under s. 71.07 (2dm) or (2dx), 71.28 (1dm) or (1dx), or 71.47 (1dm) or  
7 (1dx).
- 8           (5) The department shall promulgate rules for the operation of this section,  
9 including rules related to all the following:
- 10           (a) Criteria for designating an area as an agricultural development zone.
- 11           (b) Criteria for certifying a business for tax benefits.
- 12           (c) Standards for establishing the limit on the amount of tax benefits that a  
13 business may claim.
- 14           (d) Reporting requirements for certified businesses.
- 15           (e) The exchange of information between the department of commerce and the  
16 department of revenue.
- 17           (f) Reasons for revoking a business' certification.
- 18           (g) Standards for changing the boundaries of an agricultural development  
19 zone.”.
- 20           **25.** Page 1176, line 23: delete “6” and substitute “15”.
- 21           **26.** Page 1177, line 3: delete “\$3,000,000” and substitute “\$5,000,000”.
- 22           **27.** Page 1408, line 9: after that line insert:
- 23           “(30nk) AGRICULTURAL DEVELOPMENT ZONES. The treatment of sections 71.07  
24 (2dx) (a) 2., (b) (intro.), (c), and (d), 71.28 (1dx) (a) 2., (b) (intro.), (c), and (d), 71.47

- ① (1dx) (a) 2., (b) (intro.), (c), and (d) and 560.798 (with respect to claiming tax credits)  
2 of the statutes first applies to taxable years beginning on January 1, 2003.”  
3 (END)

*(with respect to claiming tax credits  
in an agricultural development zone)*



ARC:.....Jefferson - AM20, Restore technology zones and designate agricultural development zones

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

**CAUCUS ASSEMBLY AMENDMENT**

**TO ASSEMBLY SUBSTITUTE AMENDMENT 1,**

**TO 2001 SENATE BILL 55**

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 730, line 23: after "(5)" insert "or 560.798 (3)".

3 **2.** Page 731, line 2: after "(e)" insert "or 560.798".

4 **3.** Page 732, line 16: after "(5)" insert "or 560.798 (3)".

5 **4.** Page 733, line 18: after "(5)" insert "or 560.798 (3)".

6 **5.** Page 734, line 2: after "(5)" insert "or 560.798 (3)".

7 **6.** Page 734, line 8: after that line insert:

8 **"SECTION 2146m.** 71.07 (2dx) (a) 2. of the statutes is amended to read:

1           71.07 (2dx) (a) 2. "Development zone" means a development zone under s.  
2           560.70, a development opportunity zone under s. 560.795 ~~or~~, an enterprise  
3           development zone under s. 560.797, or an agricultural development zone under s.  
4           560.798.".

5           **7.** Page 734, line 22: after that line insert:

6           **"SECTION 2147d.** 71.07 (2dx) (b) (intro.) of the statutes is amended to read:

7           71.07 (2dx) (b) *Credit.* (intro.) Except as provided in s. 73.03 (35) and subject  
8           to s. 560.785, for any taxable year for which the person is entitled under s. 560.795  
9           (3) to claim tax benefits or certified under s. 560.765 (3) ~~or~~, 560.797 (4) or 560.798 (3),  
10          any person may claim as a credit against taxes imposed on the person's income from  
11          the person's business activities in a development zone the following amounts:

12          **SECTION 2147g.** 71.07 (2dx) (c) of the statutes is amended to read:

13          71.07 (2dx) (c) *Credit precluded.* If the certification of a person for tax benefits  
14          under s. 560.765 (3) ~~or~~, 560.797 (4) or 560.798 (3) is revoked, or if the person becomes  
15          ineligible for tax benefits under s. 560.795 (3), that person may not claim credits  
16          under this subsection for the taxable year that includes the day on which the  
17          certification is revoked; the taxable year that includes the day on which the person  
18          becomes ineligible for tax benefits; or succeeding taxable years and that person may  
19          not carry over unused credits from previous years to offset tax under this chapter for  
20          the taxable year that includes the day on which certification is revoked; the taxable  
21          year that includes the day on which the person becomes ineligible for tax benefits;  
22          or succeeding taxable years.

23          **SECTION 2147h.** 71.07 (2dx) (d) of the statutes is amended to read:



1           71.07 (2dx) (d) *Carry-over precluded*. If a person who is entitled under s.  
2           560.795 (3) to claim tax benefits or certified under s. 560.765 (3) ~~or~~, 560.797 (4) or  
3           560.798 (3) for tax benefits ceases business operations in the development zone  
4           during any of the taxable years that that zone exists, that person may not carry over  
5           to any taxable year following the year during which operations cease any unused  
6           credits from the taxable year during which operations cease or from previous taxable  
7           years.”.

8           **8.** Page 794, line 2: after “(5)” insert “or 560.798 (3)”.

9           **9.** Page 794, line 5: after “(e)” insert “or 560.798”.

10          **10.** Page 795, line 20: after “(5)” insert “or 560.798 (3)”.

11          **11.** Page 796, line 21: after “(5)” insert “or 560.798 (3)”.

12          **12.** Page 797, line 4: after “(5)” insert “or 560.798 (3)”.

13          **13.** Page 797, line 10: after that line insert:

14          “**SECTION 2177m.** 71.28 (1dx) (a) 2. of the statutes is amended to read:

15           71.28 (1dx) (a) 2. “Development zone” means a development zone under s.  
16           560.70, a development opportunity zone under s. 560.795 ~~or~~, an enterprise  
17           development zone under s. 560.797, or an agricultural development zone under s.  
18           560.798.”.

19          **14.** Page 797, line 24: after that line insert:

20          “**SECTION 2178d.** 71.28 (1dx) (b) (intro.) of the statutes is amended to read:

21           71.28 (1dx) (b) *Credit*. (intro.) Except as provided in s. 73.03 (35) and subject  
22           to s. 560.785, for any taxable year for which the person is entitled under s. 560.795  
23           (3) to claim tax benefits or certified under s. 560.765 (3) ~~or~~, 560.797 (4) or 560.798 (3),  
24           any person may claim as a credit against taxes imposed on the person’s income from

1 the person's business activities in a development zone under this subchapter the  
2 following amounts:

3 **SECTION 2178g.** 71.28 (1dx) (c) of the statutes is amended to read:

4 71.28 (1dx) (c) *Credit precluded.* If the certification of a person for tax benefits  
5 under s. 560.765 (3) ~~or~~, 560.797 (4) or 560.798 (3) is revoked, or if the person becomes  
6 ineligible for tax benefits under s. 560.795 (3), that person may not claim credits  
7 under this subsection for the taxable year that includes the day on which the  
8 certification is revoked; the taxable year that includes the day on which the person  
9 becomes ineligible for tax benefits; or succeeding taxable years and that person may  
10 not carry over unused credits from previous years to offset tax under this chapter for  
11 the taxable year that includes the day on which certification is revoked; the taxable  
12 year that includes the day on which the person becomes ineligible for tax benefits;  
13 or succeeding taxable years.

14 **SECTION 2178h.** 71.28 (1dx) (d) of the statutes is amended to read:

15 71.28 (1dx) (d) *Carry-over precluded.* If a person who is entitled under s.  
16 560.795 (3) to claim tax benefits or certified under s. 560.765 (3) ~~or~~, 560.797 (4) or  
17 560.798 (3) for tax benefits ceases business operations in the development zone  
18 during any of the taxable years that that zone exists, that person may not carry over  
19 to any taxable year following the year during which operations cease any unused  
20 credits from the taxable year during which operations cease or from previous taxable  
21 years.”

22 **15.** Page 826, line 21: after “(5)” insert “or 560.798 (3)”.

23 **16.** Page 826, line 24: after “(e)” insert “or 560.798”.

24 **17.** Page 828, line 14: after “(5)” insert “or 560.798 (3)”.

1           **18.** Page 829, line 16: after “(5)” insert “or 560.798 (3)”.

2           **19.** Page 829, line 24: after “(5)” insert “or 560.798 (3)”.

3           **20.** Page 830, line 5: after that line insert:

4           “**SECTION 2191m.** 71.47 (1dx) (a) 2. of the statutes is amended to read:

5           71.47 (1dx) (a) 2. “Development zone” means a development zone under s.  
6           560.70, a development opportunity zone under s. 560.795 or an enterprise  
7           development zone under s. 560.797, or an agricultural development zone under s.  
8           560.798.”.

9           **21.** Page 830, line 19: after that line insert:

10          “**SECTION 2192d.** 71.47 (1dx) (b) (intro.) of the statutes is amended to read:

11          71.47 (1dx) (b) *Credit.* (intro.) Except or provided in s. 73.03 (35) and subject  
12          to s. 560.785, for any taxable year for which the person is entitled under s. 560.795  
13          (3) to claim tax benefits or certified under s. 560.765 (3) ~~or~~ 560.797 (4) or 560.798 (3),  
14          any person may claim as a credit against taxes imposed on the person’s income from  
15          the person’s business activities in a development zone under this subchapter the  
16          following amounts:

17          **SECTION 2192g.** 71.47 (1dx) (c) of the statutes is amended to read:

18          71.47 (1dx) (c) *Credit precluded.* If the certification of a person for tax benefits  
19          under s. 560.765 (3) ~~or~~ 560.797 (4) or 560.798 (3) is revoked, or if the person becomes  
20          ineligible for tax benefits under s. 560.795 (3), that person may not claim credits  
21          under this subsection for the taxable year that includes the day on which the  
22          certification is revoked; the taxable year that includes the day on which the person  
23          becomes ineligible for tax benefits; or succeeding taxable years and that person may  
24          not carry over unused credits from previous years to offset tax under this chapter for

1 the taxable year that includes the day on which certification is revoked; the taxable  
2 year that includes the day on which the person becomes ineligible for tax benefits;  
3 or succeeding taxable years.

4 **SECTION 2192h.** 71.47 (1dx) (d) of the statutes is amended to read:

5 71.47 (1dx) (d) *Carry-over precluded.* If a person who is entitled under s.  
6 560.795 (3) to claim tax benefits or certified under s. 560.765 (3) ~~or~~ 560.797 (4) or  
7 560.798 (3) for tax benefits ceases business operations in the development zone  
8 during any of the taxable years that that zone exists, that person may not carry over  
9 to any taxable year following the year during which operations cease any unused  
10 credits from the taxable year during which operations cease or from previous taxable  
11 years.”.

12 **22.** Page 1173, line 1: delete “par. (b)” and substitute “pars. (b) and (c)”.

13 **23.** Page 1173, line 8: after that line insert:

14 “**SECTION 3700d.** 560.70 (7) (c) of the statutes is created to read:

15 560.70 (7) (c) In s. 560.798, “tax benefits” means the development zones capital  
16 investment credit under ss. 71.07 (2dm), 71.28 (1dm), and 71.47 (1dm) and the  
17 development zones credit under ss. 71.07 (2dx), 71.28 (1dx), and 71.47 (1dx).”.

18 **24.** Page 1175, line 24: after that line insert:

19 “**SECTION 3708m.** 560.798 of the statutes is created to read:

20 **560.798 Agricultural development zones.** (1) In this section, “rural  
21 municipality” means any of the following:

22 (a) A city, town, or village that is located in a county with a population density  
23 of less than 150 persons per square mile.

24 (b) A city, town, or village with a population of 6,000 or less.

1           (2) (a) The department shall designate 2 areas in the state as agricultural  
2 development zones. Each area must be located in a rural municipality. An  
3 agricultural business that is located in an agricultural development zone and that  
4 is certified by the department under sub. (3) is eligible for tax benefits as provided  
5 in sub. (3).

6           (b) The designation of an area as an agricultural development zone shall be in  
7 effect for 10 years from the time that the department first designates the area.  
8 However, not more than \$5,000,000 in tax benefits may be claimed in an agricultural  
9 development zone. The department may change the boundaries of an agricultural  
10 development zone during the time that its designation is in effect. A change in the  
11 boundaries of an agricultural development zone does not affect the duration of the  
12 designation of the area or the maximum tax benefit amount that may be claimed in  
13 the agricultural development zone.

14           (3) (a) The department may certify for tax benefits in an agricultural  
15 development zone a new or expanding agricultural business that is located in the  
16 agricultural development zone. In determining whether to certify a business under  
17 this subsection, the department shall consider, among other things, the number of  
18 jobs that will be created or retained by the business.

19           (b) When the department certifies an agricultural business under this  
20 subsection, the department shall establish a limit on the amount of tax benefits that  
21 the business may claim. The department shall enter into an agreement with the  
22 business that specifies the limit on the amount of tax benefits that the business may  
23 claim and reporting requirements with which the business must comply.

24           (4) (a) The department of commerce shall notify the department of revenue of  
25 all the following:

1 1. An agricultural development zone's designation.

2 2. A business' certification and the limit on the amount of tax benefits that the  
3 business may claim.

4 3. The revocation of a business' certification.

5 (b) The department shall annually verify information submitted to the  
6 department under s. 71.07 (2dm) or (2dx), 71.28 (1dm) or (1dx), or 71.47 (1dm) or  
7 (1dx).

8 (5) The department shall promulgate rules for the operation of this section,  
9 including rules related to all the following:

10 (a) Criteria for designating an area as an agricultural development zone.

11 (b) Criteria for certifying a business for tax benefits.

12 (c) Standards for establishing the limit on the amount of tax benefits that a  
13 business may claim.

14 (d) Reporting requirements for certified businesses.

15 (e) The exchange of information between the department of commerce and the  
16 department of revenue.

17 (f) Reasons for revoking a business' certification.

18 (g) Standards for changing the boundaries of an agricultural development  
19 zone.”.

20 **25.** Page 1176, line 23: delete “6” and substitute “15”.

21 **26.** Page 1177, line 3: delete “\$3,000,000” and substitute “\$5,000,000”.

22 **27.** Page 1408, line 9: after that line insert:

23 “(30nk) AGRICULTURAL DEVELOPMENT ZONES. The treatment of sections 71.07  
24 (2dx) (a) 2., (b) (intro.), (c), and (d), 71.28 (1dx) (a) 2., (b) (intro.), (c), and (d), 71.47

1 (1dx) (a) 2., (b) (intro.), (c), and (d) (with respect to claiming tax credits in an  
2 agricultural development zone), and 560.798 (with respect to claiming tax credits)  
3 of the statutes first applies to taxable years beginning on January 1, 2003.”.

4 (END)