

2001 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-SB55)

Received: 06/27/2001

Received By: shoveme

Wanted: As time permits

Identical to LRB:

For: Assembly Republican Caucus

By/Representing: Tessmer

This file may be shown to any legislator: NO

Drafter: shoveme

May Contact:

Addl. Drafters: jkreye

Subject: Tax - individual income
Tax - corp. inc. and fran.
Counties - miscellaneous
Nat. Res. - miscellaneous

Extra Copies: MGG

Submit via email: NO

Requester's email:

Pre Topic:

ARC:.....Tessmer - AM94,

Topic:

Nonrefundable income and franchise tax credit for donation of conservation land, easements; register of deeds recording requirements

Instructions:

See Attached. Same as -3283/P1, but with no capital gains component

Drafting History:

Table with 8 columns: Vers., Drafted, Reviewed, Typed, Proofed, Submitted, Jacketed, Required. It contains two rows of drafting history data.

Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

/2

pgreensl _____
06/28/2001 _____

lrb_docadmin
06/28/2001

FE Sent For:

<END>

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			<i>6/28</i> <i>pb</i>				

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Handwritten notes: 1/1 MFS 6/27/01, 1 g/s 6/27, 6-27-01, and initials.

FE Sent For:

<END>

Shovers, Marc

From: Russell, Faith
Sent: Wednesday, June 27, 2001 9:14 AM
To: Shovers, Marc
Cc: Kreye, Joseph
Subject: capital gain exclusion for certain land sold to a conservation organization

Hello again, Marc.

Apparently, ARC eliminated the capital gain exclusion from this item but they kept the nonrefundable income tax credit. Ron Shanovich tells me that Joe was working on the credit part. So hopefully he has received those instructions. But in case not...I'm cc'ing Joe on this.

Faith

certain goals for recycling percentages of materials established in rule and that meet other criteria, could recycle those materials instead of the materials included in the 1995 bans.

Agency affected: DNR

Fiscal Impact: \$0

Location/Status: Adopt FM Motion 1084

I. Wheelchair Recycling

Agency affected: DNR

Move to provide \$40,000 for the Wheelchair Recycling Program in each year of the biennium to provide recycled medical equipment directly to consumers and programs in need and for equipment parts, maintenance, and distribution costs. Reduce funding for DNR Waste Reduction and Recycling Demonstration Grants by \$40,000 in each year of the biennium.

Fiscal Impact: An \$80,000 increase for the Wheelchair Recycling Program and a reduction of \$80,000 for DNR Waste Reduction and Recycling Demonstration Grants.

Location/Status: New motion (Johnsrud)

J. Newsprint Recycling Cap

Agency affected: DNR

Cap the newspaper recycling fee and the recycled content of newsprint used in newspapers at 33%

Fiscal impact: \$1,000 reduction in revenue for the first few years of implementation

Location/Status: Adopt Assembly Bill 365 (Johnsrud)

2. Land Conservation/Restoration

A. Incentives for Private Stewardship

- * Create a nonrefundable tax credit for donation of conservation land or conservation easements effective January 1, 2003.

Credit equal to 50% of the assessed value of donated property or conservation easement.

Use existing federal tax law standards for qualifying conservation contributions under Section 170 (h) of the Internal Revenue Code: These include gifts of land or permanent restrictions which provide a significant public benefit for one of the following conservation purposes:

1. Preservation of land areas for outdoor recreation by, or for the education of, the general public.

2. Protection of a relatively natural habitat of fish, wildlife, or plants, or a similar ecosystem.
3. Preservation of open space (including farmland and forestland) for the scientific enjoyment of the public or pursuant to a clearly defined federal, state, or local governmental conservation policy.
4. Preservation of a historically important land area or a certified historic structure.

Fiscal Impact: Because the credit will begin on 1/1/03, there is no fiscal effect for this biennium

Agency affected: DNR

Location/Status: Adopt LRB 3283, with revision

B. Property Tax Exemption for Property Held in Trust

Property that is used for community parks and owned by, or held in trust for, a non-profit organization is exempt from the property tax effective January 1, 2002. The property must be open to the public and no owner or member of the organization may receive any income from using or owning the property or charge a fee to the public for use of the property.

Fiscal Impact: Unknown

Agency affected: DNR

Location/Status: Adopt LRB 2683/1, with revisions (Powers)

C. Annual Grants for Urban Conservation Purposes

Under current law, the DNR must provide a single grant of \$75,000 in each fiscal year to a non-profit corporation, that in turn must use at least part of the grant to provide assistance and conferences to community groups, non-profit organizations, and local government units that are interested in acquiring and restoring urban property for open space purposes. The non-profit corporation that receives the grant must contribute \$25,000 in matching funds.

This motion will increase the annual grant to \$150,000 and increase the amount of the matching fund to \$50,000. The motion will expand the purpose of those grants to include other urban conservation projects besides urban open spaces.

Fiscal Impact: \$150,000 Forestry SEG

Agency affected: DNR

Location/Status: Adopt LRB 2706/2 (Powers)

D. Adopt a River Program

Agency affected: DNR

Authorize DNR to promulgate rules to create an Adopt-a-River program.

from the IRC, § 170.

- 1 -

(h) Qualified conservation contribution

(1) In general

For purposes of subsection (f)(3)(B)(iii), the term "qualified conservation contribution" means a contribution--

- (A) of a qualified real property interest,
- (B) to a qualified organization,
- (C) exclusively for conservation purposes.

(2) Qualified real property interest

For purposes of this subsection, the term "qualified real property interest" means any of the following interests in real property:

- (A) the entire interest of the donor other than a qualified mineral interest,
- (B) a remainder interest, and
- (C) a restriction (granted in perpetuity) on the use which may be made of the real property.

(3) Qualified organization

For purposes of paragraph (1), the term "qualified organization" means an organization which--

- (A) is described in clause (v) or (vi) of subsection (b)(1)(A), or
- (B) is described in section 501(c)(3) and--
 - (i) meets the requirements of section 509(a)(2), or
 - (ii) meets the requirements of section 509(a)(3) and is controlled by an organization described in subparagraph (A) or in clause (i) of this subparagraph.

(4) Conservation purpose defined

(A) In general

For purposes of this subsection, the term "conservation purpose" means--

- (i) the preservation of land areas for outdoor recreation by, or the education of, the general public,
- (ii) the protection of a relatively natural habitat of fish, wildlife, or plants, or similar ecosystem,
- (iii) the preservation of open space (including farmland and forest land) where such preservation is--

(I) for the scenic enjoyment of the general public, or

(II) pursuant to a clearly delineated Federal, State, or local governmental conservation policy,

and will yield a significant public benefit, or

(iv) the preservation of an historically important land area or a certified historic structure.

(B) Certified historic structure

For purposes of subparagraph (A)(iv), the term "certified historic structure" means any building, structure, or land area which--

(i) is listed in the National Register, or

(ii) is located in a registered historic district (as defined in section 47(c)(3)(B)) and is certified by the Secretary of the Interior to the Secretary as being of historic significance to the district.

A building, structure, or land area satisfies the preceding sentence if it satisfies such sentence either at the time of the transfer or on the due date (including extensions) for filing the transferor's return under this chapter for the taxable year in which the transfer is made.

(5) Exclusively for conservation purposes

For purposes of this subsection--

(A) Conservation purpose must be protected

A contribution shall not be treated as exclusively for conservation purposes unless the conservation purpose is protected in perpetuity.

(B) No surface mining permitted

(i) In general

Except as provided in clause (ii), in the case of a contribution of any interest where there is a retention of a qualified mineral interest, subparagraph (A) shall not be treated as met if at any time there may be extraction or removal of minerals by any surface mining method.

(ii) Special rule

With respect to any contribution of property in which the ownership of the surface estate and mineral interests were separated, subparagraph (A) shall be treated as met if the probability of surface mining occurring on such property is so remote as to be negligible.

(6) Qualified mineral interest

For purposes of this subsection, the term "qualified mineral interest" means--

- (A) subsurface oil, gas, or other minerals, and
- (B) the right to access to such minerals.

2001

Date (time) needed _____

LRB b 1855 / 1

**ARC CAUCUS BUDGET AMENDMENT
[ONLY FOR CAUCUS]**

MESBJK : cjs : _____

See form **AMENDMENTS — COMPONENTS & ITEMS.**

**CAUCUS AMENDMENT
TO ASSEMBLY SUBSTITUTE AMENDMENT 1
TO 2001 SENATE BILL 55**

D-note

>>FOR CAUCUS SUPERAMENDMENT — NOT FOR INTRODUCTION<<

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

#. Page 64, line 6: *after that line insert* 

#. Page, line:

#. Page, line:

#. Page, line:

#. Page, line:

#. Page, line:

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

1 **AN ACT to amend** 59.43 (1) (a), 71.05 (6) (a) 15., 71.05 (6) (b) 9., 71.21 (4), 71.26
 2 (2) (a), 71.34 (1) (g), 71.45 (2) (a) 10. and 77.92 (4); and **to create** 71.07 (5s), 71.10
 3 (4) (cs), 71.28 (5s), 71.30 (3) (cs), 71.47 (5s) and 71.49 (1) (cs) of the statutes;
 4 **relating to:** creating a nonrefundable income and franchise tax credit for a
 5 donation of conservation land or easements, exempting from capital gains
 6 taxation of certain sales of real property interests, and changing the
 7 requirements for a register of deeds to record conservation easements.

Analysis by the Legislative Reference Bureau

To be provided in a future version of the bill.
 This bill will be referred to the joint survey committee on tax exemptions for a
 detailed analysis, which will be printed as an appendix to this bill.
 For further information see the *state and local* 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:

8 → " SECTION 1. 1997t 59.43 (1) (a) of the statutes is amended to read:

1 59.43 (1) (a) Record or cause to be recorded in suitable books to be kept in his
2 or her office, correctly and legibly all deeds, mortgages, instruments and writings
3 authorized by law to be recorded in his or her office and left with him or her for that
4 purpose, provided such documents have plainly printed or typewritten thereon the
5 names of the grantors, grantees, witnesses and notary. The register of deeds shall
6 record and file or cause to be recorded and filed all plats and certified survey maps
7 that are authorized to be accepted for recording and filing in his or her office. The
8 register of deeds shall maintain a separate index for recording conservation
9 easements, as defined in s. 700.40 (1) (a). Any county, by a resolution duly adopted
10 by the board, may combine the separate books or volumes for deeds, mortgages,
11 miscellaneous instruments, attachments, lis pendens, sales and notices, certificates
12 of organization of corporations, plats or other recorded or filed instruments or classes
13 of documents as long as separate indexes may be produced. Notwithstanding any
14 other provisions of the statutes, any county adopting a system of microfilming or like
15 process or a system of recording documents by optical imaging or electronic
16 formatting under ch. 228 may substitute the headings, reel, disk or electronic file
17 name and microfilm image (frame) for volume and page where recorded and different
18 classes of instruments may be recorded, reproduced or copied on or transferred to the
19 same reel, disk or electronic file or part of a reel or disk. All recordings made prior
20 to June 28, 1961, which would have been valid under this paragraph, had this
21 paragraph then been in effect, are hereby validated. In this subsection, "book", if
22 automated recording or indexing equipment is used, includes the meaning given
23 under sub. (12) (d). ¹¹ ←

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

#. Page 728, line 20: delete that line and substitute *De*

1
2 *not*

~~71.05 (6) (a) 15 The amount of the credits computed under s. 71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx) and (3s), and (5s) and not passed through~~

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

SECTION 3. 71.05 (6) (b) 9. of the statutes is amended to read:

~~71.05 (6) (b) 9. On assets held more than one year and on all assets acquired from a decedent, 60% of the capital gain or, in the case of qualified real property interest, as defined in section 170 (b) (2) of the Internal Revenue Code, that is sold to a local governmental unit, as defined in s. 71.07 (5s) (a) 3., or to a nonprofit conservation organization, as defined in s. 23.0955 (1), 100% of the capital gain as computed under the internal revenue code Internal Revenue Code, not including capital gains for which the federal tax treatment is determined under section 406 of P.L. 99-514; not including amounts treated as ordinary income for federal income tax purposes because of the recapture of depreciation or any other reason; and not including amounts treated as capital gain for federal income tax purposes from the sale or exchange of a lottery prize. For purposes of this subdivision, the capital gains and capital losses for all assets shall be netted before application of the percentage.~~

****NOTE: I have attempted to achieve your intent with regard to the capital gains tax exemption for sales of land or conservation easements that "meet the standards" in the rest of the instructions, but it seems to me that terms such as "qualified real property interest" and "qualified conservation contribution," as defined in the IRC do not work in this context because those IRC definitions seem to be based on *donations* and not sales. You may want the department of revenue to review this part of the bill to see how the department would interpret it.

#. Page 735, line 20: after that line, insert:

19 SECTION 4. 71.07 (5s) of the statutes is created to read:

20 *2148p*
71.07 (5s) CONSERVATION LAND, CONSERVATION EASEMENT TAX CREDIT. (a)

21 Definitions. In this subsection:

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

4 2. “Conservation easement” has the meaning given in s. 700.40 (1) (a).

5 3. “Local governmental unit” means a political subdivision of this state, a
6 special purpose district in this state, an instrumentality or corporation of such a
7 political subdivision or special purpose district, a combination or subunit of any of
8 the foregoing, or an instrumentality of the state and any of the foregoing.

9 4. “Nonprofit conservation organization” has the meaning given in s. 23.0955
10 (1).

11 5. “Qualified appraisal” means any appraisal meeting the requirements of the
12 regulations prescribed under section 170 (a) (1) of the Internal Revenue Code.

13 6. “Qualified conservation contribution” has the meaning given in section 170
14 (h) of the Internal Revenue Code.

15 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
16 claimant may claim as a credit against the tax imposed under s. 71.02 an amount
17 equal to 50% of the value, based on a qualified appraisal, of property or a
18 conservation easement, to the extent that the property or easement is a qualified
19 conservation contribution, that is donated to the state, a local governmental unit, or
20 a nonprofit conservation organization in the taxable year in which the donation is
21 made or the easement is granted.

22 (c) *Limitations.* 1. The maximum credit that a claimant may claim under this
23 subsection in a taxable year is \$100,000.

24 2. No credit may be allowed under this subsection unless it is claimed within
25 the time period under s. 71.75 (2).

1 3. Section 71.28 (4) (e) and (f), as it applies to the credit under s. 71.28 (4),
2 applies to the credit under this subsection, except that with regard to the carry-over
3 provisions in s. 71.28 (4) (f) the maximum number of years that the credit under this
4 subsection may be carried forward is 10 years.

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

5. Part-year residents and nonresidents of this state are not eligible for the credit under this subsection.

13 (d) Administration. The department of revenue may enforce the credit under
14 this subsection and may take any action, conduct any proceeding, and proceed as it
15 is authorized in respect to taxes under this chapter. The income tax provisions in this
16 chapter relating to assessments, refunds, appeals, collection, interest, and penalties
17 apply to the credit under this subsection.

[Handwritten scribble]

#. Page 737, line 24; after that line insert:

18 ~~SECTION 5.~~ 71.10 (4) (cs) of the statutes is created to read:

19 71.10 (4) (cs) Conservation land, conservation easement tax credit under s.

20 71.07 (5s).

#. Page 741, line 22: delete that line and substitute:

21 ~~SECTION 6. 71.21 (4) of the statutes is amended to read:~~

22 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),

23 (2dj), (2dL), (2dm), (2ds), (2dx) and (3s), and (5s) and passed through to partners ~~shall be~~

24 added to the partnership's income

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

#, Page 769, line 1: delete that line and substitute

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

#, Page 798, line 22: after that line insert:

SECTION 71.28 (5s) of the statutes is created to read:

71.28 (5s) CONSERVATION LAND, CONSERVATION EASEMENT TAX CREDIT. (a)

Definitions. In this subsection:

1. "Claimant" means a person who files a claim under this subsection.
2. "Conservation easement" has the meaning given in s. 700.40 (1) (a).
3. "Local governmental unit" means a political subdivision of this state, a special purpose district in this state, an instrumentality or corporation of such a political subdivision or special purpose district, a combination or subunit of any of the foregoing, or an instrumentality of the state and any of the foregoing.

1 4. “Nonprofit conservation organization” has the meaning given in s. 23.0955
2 (1).

3 5. “Qualified appraisal” means any appraisal meeting the requirements of the
4 regulations prescribed under section 170 (a) (1) of the Internal Revenue Code.

5 6. “Qualified conservation contribution” has the meaning given in section 170
6 (h) of the Internal Revenue Code.

7 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
8 claimant may claim as a credit against the tax imposed under s. 71.23 an amount
9 equal to 50% of the value, based on a qualified appraisal, of property or a
10 conservation easement, to the extent that the property or easement is a qualified
11 conservation contribution, that is donated to the state, a local governmental unit, or
12 a nonprofit conservation organization in the taxable year in which the donation is
13 made or the easement is granted.

14 (c) *Limitations.* 1. The maximum credit that a claimant may claim under this
15 subsection in a taxable year is \$100,000.

16 2. No credit may be allowed under this subsection unless it is claimed within
17 the time period under s. 71.75 (2).

18 3. Subsection (4) (e) and (f), as it applies to the credit under sub. (4), applies to
19 the credit under this subsection, except that with regard to the carry-over provisions
20 in sub. (4) (f) the maximum number of years that the credit under this subsection may
21 be carried forward is 10 years.

22 4. Partnerships, limited liability companies, and tax-option corporations may
23 not claim the credit under this subsection, but the eligibility for, and the amount of,
24 the credit are based on the amount calculated under par. (b). A partnership, limited
25 liability company, or tax-option corporation shall compute the amount of credit that

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

5 (d) *Administration.* The department of revenue may enforce the credit under
6 this subsection and may take any action, conduct any proceeding, and proceed as it
7 is authorized in respect to taxes under this chapter. The income tax provisions in this
8 chapter relating to assessments, refunds, appeals, collection, interest, and penalties
9 apply to the credit under this subsection.

10 SECTION ^{2179u} 71.30 (3) (cs) of the statutes is created to read:

11 71.30 (3) (cs) Conservation land, conservation easement tax credit under s.
12 71.28 (5s). "

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

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

17 SECTION ^{2184p} 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) and (5s) and not passed through by a
20 partnership, limited liability company or tax-option corporation that has added that
21 amount to the partnership's, limited liability company's or tax-option corporation's
22 income under s. 71.21 (4) or 71.34 (1) (g) and the amount of credit computed under
23 s. 71.47 (1), (3), (4) and (5). "

24 SECTION ^{2193e} 71.47 (5s) of the statutes is created to read:

Page 799, line 6: delete that line and substitute

Page 821, line 17: after that line insert:

Page 831, line 18: after that line insert:

1 71.47 (5s) CONSERVATION LAND, CONSERVATION EASEMENT TAX CREDIT. (a)

2 *Definitions.* In this subsection:

3 1. “Claimant” means a person who files a claim under this subsection.

4 2. “Conservation easement” has the meaning given in s. 700.40 (1) (a).

5 3. “Local governmental unit” means a political subdivision of this state, a
6 special purpose district in this state, an instrumentality or corporation of such a
7 political subdivision or special purpose district, a combination or subunit of any of
8 the foregoing, or an instrumentality of the state and any of the foregoing.9 4. “Nonprofit conservation organization” has the meaning given in s. 23.0955
10 (1).11 5. “Qualified appraisal” means any appraisal meeting the requirements of the
12 regulations prescribed under section 170 (a) (1) of the Internal Revenue Code.13 6. “Qualified conservation contribution” has the meaning given in section 170
14 (h) of the Internal Revenue Code.15 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
16 claimant may claim as a credit against the tax imposed under s. 71.43 an amount
17 equal to 50% of the value, based on a qualified appraisal, of property or a
18 conservation easement, to the extent that the property or easement is a qualified
19 conservation contribution, that is donated to the state, a local governmental unit, or
20 a nonprofit conservation organization in the taxable year in which the donation is
21 made or the easement is granted.22 (c) *Limitations.* 1. The maximum credit that a claimant may claim under this
23 subsection in a taxable year is \$100,000.24 2. No credit may be allowed under this subsection unless it is claimed within
25 the time period under s. 71.75 (2).

1 3. Section 71.28 (4) (e) and (f), as it applies to the credit under s. 71.28 (4),
2 applies to the credit under this subsection, except that with regard to the carry-over
3 provisions in s. 71.28 (4) (f) the maximum number of years that the credit under this
4 subsection may be carried forward is 10 years.

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

13 (d) *Administration.* The department of revenue may enforce the credit under
14 this subsection and may take any action, conduct any proceeding, and proceed as it
15 is authorized in respect to taxes under this chapter. The income tax provisions in this
16 chapter relating to assessments, refunds, appeals, collection, interest, and penalties
17 apply to the credit under this subsection.

18 SECTION 13, 71.49 (1) (cs) of the statutes is created to read:

19 71.49 (1) (cs) ^{2193u} Conservation land, conservation easement tax credit under s.
20 71.47 (5s). ^{11, ←}

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

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

#. Page, line : after that line insert

INS A:
21 moved from
22 page 11

~~Page 849, line 13: delete that line and substitute~~

1 ~~dividend income from federal government obligations; minus the items of less and~~
2 ~~deduction under section 702 of the Internal Revenue Code, except items that are not~~
3 ~~deductible under s. 71.21; plus guaranteed payments to partners under section 707~~
4 ~~(c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),~~
5 ~~(2di), (2dj), (2dL), (2dr), (2ds), (2dx) and (3s), and (5s); and plus or minus, as~~

6 ~~appropriate, transitional adjustments, depreciation differences and basis~~
7 ~~differences under s. 71.05 (13), (15), (16), (17) and (19); but excluding income, gain,~~
8 ~~loss and deductions from farming. "Net business income", with respect to a natural~~
9 ~~person, estate or trust, means profit from a trade or business for federal income tax~~
10 ~~purposes and includes net income derived as an employee as defined in section 3121~~
11 ~~(d) (3) of the Internal Revenue Code.~~

(2dm)

(3g)

SEC 2205 n

~~SECTION 9137. Nonstatutory provisions; natural resources~~
Page 836, line 24: after that line insert: p. KR: 73,03(57)

(1) EFFECTIVENESS OF CONSERVATION DONATIONS: No later than the first day of
the 60th month beginning after the effective date of this subsection, the departments
of natural resources and revenue, along with the Gathering Waters Conservancy,
shall prepare a report on the effectiveness of the conservation land, conservation
easement tax credit under section 71.07 (5s), 71.28(5s), and 71.47(5s) of the statutes, as created by this act,
and shall submit the report to the speaker of the assembly and the president of the
senate under section 13.172 (3) of the statutes. The report shall also recommend
modifications of the tax credit to encourage conservation donations.

INS A:
to move
to page 10,
after line 20
9 73,03(57)

the 60th month beginning after the effective date of this subsection, the departments
of natural resources and revenue, along with the Gathering Waters Conservancy,
shall prepare a report on the effectiveness of the conservation land, conservation
easement tax credit under section 71.07 (5s), 71.28(5s), and 71.47(5s) of the statutes, as created by this act,

****NOTE: Joe K.: Because of the 5-year delay, it is likely that this nonstat. should be placed in the statutes. (kmg)

****NOTE: This provision is drafted according to your instructions, but I have no idea what the "Gathering Waters Conservancy" is; that term does not appear in the statutes.

21 SECTION 9344. Initial applicability; revenue.

Page 1403, line 9: after that line insert:

1q

paren

← easement tax credit ← paren

1 ~~(1) CONSERVATION LAND CONSERVATION EASEMENTS TAX CREDIT. The treatment of~~
2 ~~sections 71.05 (6) (a) 15 and (b) 9, 71.07 (5s), 71.10 (4) (cs), 71.21 (4), 71.26 (2) (a),~~

3 ~~71.28 (5s), 71.30 (3) (cs), 71.34 (1) (g), 71.45 (2) (a) 10., 71.47 (5s), 71.49 (1) (cs), and~~

4 ~~77.92 (4) of the statutes first applies to taxable years beginning on January 1 of the~~

5 ~~year in which this subsection takes effect, except that if this subsection takes effect~~

6 ~~after July 31 the treatment of sections 71.05 (6) (a) 15. and (b) 9., 71.07 (5s), 71.10~~

7 ~~(4) (cs), 71.21 (4), 71.26 (2) (a), 71.28 (5s), 71.30 (3) (cs), 71.34 (1) (g), 71.45 (2) (a) 10.,~~

8 ~~71.47 (5s), 71.49 (1) (cs), and 77.92 of the statutes first applies to taxable years~~

9 ~~beginning on January 1 of the year after the year in which this subsection takes~~

10 ~~effect.~~

Page 1414, line 13: after that line insert:

11 SECTION 9359 Initial applicability: other

12 (1) REGISTER OF DEEDS RECORDING REQUIREMENTS. The treatment of section
13 59.43 (1) (a) of the statutes first applies to conservation easements that are recorded
14 on the effective date of this subsection. "

(END)

D-NOTE

and the development zone
capital investment credit
that is created in S. 71.07(2dm)

¶ If the technology zones tax credit that is
created, in ^{part, in} S. 71.07 (3g), ^{are} removed from the
budget, ~~all~~ section S. 71.05 (6) (a) 15, which
is amended in bill section 2143, ^{S. 71.21 (4) in bill section 2157,} must stay in
the budget bill.

¶ Also, although S. 73.03(57) is drafted according
to your instructions, we have no idea what the
"Gathering Waters Conservancy"
is; the term is not in the statutes.

S. 71.26(2) (a) in bill section
2175, S. 71.34(1) (g) in bill
section 2182, and S. 77.92(4) in
bill section 2248

MZA
JK

Is the treatment of part-year residents
and non-residents in S. 71.07(5s)(c) 5.
consistent with your intent?

INIT
APP

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb1855/1dn
MES&JTK:cjs:rs

June 27, 2001

If the technology zones tax credit that is created, in part, in s.71.07 (3g) and the development zone capital investment credit that is created in s. 71.07 (2dm) are removed from the budget, s. 71.05 (6) (a) 15., which is amended in bill section 2143, s.71.21 (4) in bill section 2157, s. 71.26 (2) (a) in bill section 2175, s. 71.34 (1) (g) in bill section 2182, and s. 77.92 (4) in bill section 2248 must stay in the budget bill.

Also, although s. 73.03 (57) is drafted according to your instructions, we have no idea what the "Gathering Waters Conservancy" is; the term is not in the statutes.

Is the treatment of part-year residents and nonresidents in s. 71.07 (5s) (c) 5. consistent with your intent?

Marc E. Shovers
Senior Legislative Attorney
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State of Wisconsin
2001 - 2002 LEGISLATURE

LRBb1855/A
MES&JMK:cjs:rs

12
JK stays

ARC:.....Tessmer – AM94, Nonrefundable income and franchise tax credit for donation of conservation land, easements; register of deeds recording requirements

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS ASSEMBLY AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 2001 SENATE BILL 55

RM not R

in 6-28-01

- 1 At the locations indicated, amend the substitute amendment as follows:
- 2 **1.** Page 664, line 6: after that line insert:
- 3 **"SECTION 1997t.** 59.43 (1) (a) of the statutes is amended to read:
- 4 59.43 (1) (a) Record or cause to be recorded in suitable books to be kept in his
- 5 or her office, correctly and legibly all deeds, mortgages, instruments and writings
- 6 authorized by law to be recorded in his or her office and left with him or her for that
- 7 purpose, provided such documents have plainly printed or typewritten thereon the
- 8 names of the grantors, grantees, witnesses and notary. The register of deeds shall
- 9 record and file or cause to be recorded and filed all plats and certified survey maps

1 that are authorized to be accepted for recording and filing in his or her office. The
2 register of deeds shall maintain a separate index for recording conservation
3 easements, as defined in s. 700.40 (1) (a). Any county, by a resolution duly adopted
4 by the board, may combine the separate books or volumes for deeds, mortgages,
5 miscellaneous instruments, attachments, lis pendens, sales and notices, certificates
6 of organization of corporations, plats or other recorded or filed instruments or classes
7 of documents as long as separate indexes may be produced. Notwithstanding any
8 other provisions of the statutes, any county adopting a system of microfilming or like
9 process or a system of recording documents by optical imaging or electronic
10 formatting under ch. 228 may substitute the headings, reel, disk or electronic file
11 name and microfilm image (frame) for volume and page where recorded and different
12 classes of instruments may be recorded, reproduced or copied on or transferred to the
13 same reel, disk or electronic file or part of a reel or disk. All recordings made prior
14 to June 28, 1961, which would have been valid under this paragraph, had this
15 paragraph then been in effect, are hereby validated. In this subsection, “book”, if
16 automated recording or indexing equipment is used, includes the meaning given
17 under sub. (12) (d).”

18 **2.** Page 728, line 20: delete that line and substitute “(2di), (2dj), (2dL), (2dm)
19 (2dr), (2ds), (2dx) ~~and~~, (3g), (3s), and (5s) and not passed through”.

20 **3.** Page 735, line 20: after that line insert:

21 **“SECTION 2148p.** 71.07 (5s) of the statutes is created to read:

22 **71.07 (5s) CONSERVATION LAND, CONSERVATION EASEMENT TAX CREDIT. (a)**

23 *Definitions.* In this subsection:

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

4 2. “Conservation easement” has the meaning given in s. 700.40 (1) (a).

5 3. “Local governmental unit” means a political subdivision of this state, a
6 special purpose district in this state, an instrumentality or corporation of such a
7 political subdivision or special purpose district, a combination or subunit of any of
8 the foregoing, or an instrumentality of the state and any of the foregoing.

9 4. “Nonprofit conservation organization” has the meaning given in s. 23.0955
10 (1).

11 5. “Qualified appraisal” means any appraisal meeting the requirements of the
12 regulations prescribed under section 170 (a) (1) of the Internal Revenue Code.

13 6. “Qualified conservation contribution” has the meaning given in section 170
14 (h) of the Internal Revenue Code.

15 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
16 claimant may claim as a credit against the tax imposed under s. 71.02 an amount
17 equal to 50% of the value, based on a qualified appraisal, of property or a
18 conservation easement, to the extent that the property or easement is a qualified
19 conservation contribution, that is donated to the state, a local governmental unit, or
20 a nonprofit conservation organization in the taxable year in which the donation is
21 made or the easement is granted.

22 (c) *Limitations.* 1. The maximum credit that a claimant may claim under this
23 subsection in a taxable year is \$100,000.

24 2. No credit may be allowed under this subsection unless it is claimed within
25 the time period under s. 71.75 (2).

1 3. Section 71.28 (4) (e) and (f), as it applies to the credit under s. 71.28 (4),
2 applies to the credit under this subsection, except that with regard to the carry-over
3 provisions in s. 71.28 (4) (f) the maximum number of years that the credit under this
4 subsection may be carried forward is 10 years.

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

13 (5) Part-year residents and nonresidents of this state are not eligible for the
14 credit under this subsection.

15 (d) *Administration.* The department of revenue may enforce the credit under
16 this subsection and may take any action, conduct any proceeding, and proceed as it
17 is authorized in respect to taxes under this chapter. The income tax provisions in this
18 chapter relating to assessments, refunds, appeals, collection, interest, and penalties
19 apply to the credit under this subsection.”.

20 **4.** Page 737, line 24: after that line insert:

21 **“SECTION 215ou.** 71.10 (4) (cs) of the statutes is created to read:

22 71.10 (4) (cs) Conservation land, conservation easement tax credit under s.
23 71.07 (5s).”.

1 **5.** Page 741, line 22: delete that line and substitute “(2dj), (2dL), (2dm), (2ds),
2 (2dx) ~~and, (3g), (3s), and (5s)~~ and passed through to partners”.

3 **6.** Page 769, line 1: delete that line and substitute “(1ds) ~~and, (1dx), (3g), and~~
4 (5s) and not passed through by a partnership, limited liability”.

5 **7.** Page 798, line 22: after that line insert:

6 “**SECTION 2179e.** 71.28 (5s) of the statutes is created to read:

7 **71.28 (5s) CONSERVATION LAND, CONSERVATION EASEMENT TAX CREDIT. (a)**
8 *Definitions.* In this subsection:

9 1. “Claimant” means a person who files a claim under this subsection.

10 2. “Conservation easement” has the meaning given in s. 700.40 (1) (a).

11 3. “Local governmental unit” means a political subdivision of this state, a
12 special purpose district in this state, an instrumentality or corporation of such a
13 political subdivision or special purpose district, a combination or subunit of any of
14 the foregoing, or an instrumentality of the state and any of the foregoing.

15 4. “Nonprofit conservation organization” has the meaning given in s. 23.0955
16 (1).

17 5. “Qualified appraisal” means any appraisal meeting the requirements of the
18 regulations prescribed under section 170 (a) (1) of the Internal Revenue Code.

19 6. “Qualified conservation contribution” has the meaning given in section 170
20 (h) of the Internal Revenue Code.

21 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
22 claimant may claim as a credit against the tax imposed under s. 71.23 an amount
23 equal to 50% of the value, based on a qualified appraisal, of property or a
24 conservation easement, to the extent that the property or easement is a qualified

1 conservation contribution, that is donated to the state, a local governmental unit, or
2 a nonprofit conservation organization in the taxable year in which the donation is
3 made or the easement is granted.

4 (c) *Limitations.* 1. The maximum credit that a claimant may claim under this
5 subsection in a taxable year is \$100,000.

6 2. No credit may be allowed under this subsection unless it is claimed within
7 the time period under s. 71.75 (2).

8 3. Subsection (4) (e) and (f), as it applies to the credit under sub. (4), applies to
9 the credit under this subsection, except that with regard to the carry-over provisions
10 in sub. (4) (f) the maximum number of years that the credit under this subsection may
11 be carried forward is 10 years.

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

20 (d) *Administration.* The department of revenue may enforce the credit under
21 this subsection and may take any action, conduct any proceeding, and proceed as it
22 is authorized in respect to taxes under this chapter. The income tax provisions in this
23 chapter relating to assessments, refunds, appeals, collection, interest, and penalties
24 apply to the credit under this subsection.

25 **SECTION 2179u.** 71.30 (3) (cs) of the statutes is created to read:

1 71.30 (3) (cs) Conservation land, conservation easement tax credit under s.
2 71.28 (5s).”.

3 **8.** Page 799, line 6: delete that line and substitute “(3g), and (5s) and passed
4 through to shareholders.”.

5 **9.** Page 821, line 17: after that line insert:

6 “SECTION 2184p. 71.45 (2) (a) 10. of the statutes is amended to read:

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

13 **10.** Page 831, line 18: after that line insert:

14 “SECTION 2193e. 71.47 (5s) of the statutes is created to read:

15 71.47 (5s) CONSERVATION LAND, CONSERVATION EASEMENT TAX CREDIT. (a)

16 *Definitions.* In this subsection:

17 1. “Claimant” means a person who files a claim under this subsection.

18 2. “Conservation easement” has the meaning given in s. 700.40 (1) (a).

19 3. “Local governmental unit” means a political subdivision of this state, a
20 special purpose district in this state, an instrumentality or corporation of such a
21 political subdivision or special purpose district, a combination or subunit of any of
22 the foregoing, or an instrumentality of the state and any of the foregoing.

23 4. “Nonprofit conservation organization” has the meaning given in s. 23.0955
24 (1).

1 5. “Qualified appraisal” means any appraisal meeting the requirements of the
2 regulations prescribed under section 170 (a) (1) of the Internal Revenue Code.

3 6. “Qualified conservation contribution” has the meaning given in section 170
4 (h) of the Internal Revenue Code.

5 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
6 claimant may claim as a credit against the tax imposed under s. 71.43 an amount
7 equal to 50% of the value, based on a qualified appraisal, of property or a
8 conservation easement, to the extent that the property or easement is a qualified
9 conservation contribution, that is donated to the state, a local governmental unit, or
10 a nonprofit conservation organization in the taxable year in which the donation is
11 made or the easement is granted.

12 (c) *Limitations.* 1. The maximum credit that a claimant may claim under this
13 subsection in a taxable year is \$100,000.

14 2. No credit may be allowed under this subsection unless it is claimed within
15 the time period under s. 71.75 (2).

16 3. Section 71.28 (4) (e) and (f), as it applies to the credit under s. 71.28 (4),
17 applies to the credit under this subsection, except that with regard to the carry-over
18 provisions in s. 71.28 (4) (f) the maximum number of years that the credit under this
19 subsection may be carried forward is 10 years.

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

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

3 (d) *Administration*. The department of revenue may enforce the credit under
4 this subsection and may take any action, conduct any proceeding, and proceed as it
5 is authorized in respect to taxes under this chapter. The income tax provisions in this
6 chapter relating to assessments, refunds, appeals, collection, interest, and penalties
7 apply to the credit under this subsection.

8 **SECTION 2193u.** 71.49 (1) (cs) of the statutes is created to read:

9 71.49 (1) (cs) Conservation land, conservation easement tax credit under s.
10 71.47 (5s).”.

11 **11.** Page 836, line 24: after that line insert:

12 “**SECTION 2205n.** 73.03 (57) of the statutes is created to read:

13 73.03 (57) (1y) To work with the department of natural resources and with the
14 Gathering Waters Conservancy to prepare a report, no later than the first day of the
15 60th month beginning after the effective date of this subsection [revisor inserts
16 date], on the effectiveness of the conservation land, conservation easement tax credit
17 under ss. 71.07 (5s), 71.28 (5), and 71.47 (5s), and to submit the report to the speaker
18 of the assembly and the president of the senate under s. 13.172 (3). The report shall
19 also recommend modifications of the tax credit to encourage conservation
20 donations.”.

21 **12.** Page 849, line 13: delete that line and substitute “(2di), (2dj), (2dL), (2dm),
22 (2dr), (2ds), (2dx) ~~and~~, (3g), (3s), and (5s); and plus or minus, as”.

23 **13.** Page 1403, line 9: after that line insert:

1 “(1q) CONSERVATION LAND, CONSERVATION EASEMENTS TAX CREDIT. The treatment
2 of sections 71.05 (6) (a) 15. (as it relates to the conservation land, conservation
3 easement tax credit), 71.07 (5s), 71.10 (4) (cs), 71.21 (4) (as it relates to the
4 conservation land, conservation easement tax credit), 71.26 (2) (a) (as it relates to the
5 conservation land, conservation easement tax credit), 71.28 (5s), 71.30 (3) (cs), 71.34
6 (1) (g) (as it relates to the conservation land, conservation easement tax credit), 71.45
7 (2) (a) 10., 71.47 (5s), 71.49 (1) (cs), and 77.92 (4) (as it relates to the conservation
8 land, conservation easement tax credit) of the statutes first applies to taxable years
9 beginning on ~~January~~ *July* 1, 2003.”

10 **14.** Page 1414, line 13: after that line insert:

11 “(1q) REGISTER OF DEEDS RECORDING REQUIREMENTS. The treatment of section
12 59.43 (1) (a) of the statutes first applies to conservation easements that are recorded
13 on the effective date of this subsection.”

14 (END)



State of Wisconsin
2001 - 2002 LEGISLATURE

LRBb1855/2
MES&JK:cjs:pg

ARC:.....Tessmer – AM94, Nonrefundable income and franchise tax credit for donation of conservation land, easements; register of deeds recording requirements

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 664, line 6: after that line insert:

3 “SECTION 1997t. 59.43 (1) (a) of the statutes is amended to read:

4 59.43 (1) (a) Record or cause to be recorded in suitable books to be kept in his
5 or her office, correctly and legibly all deeds, mortgages, instruments and writings
6 authorized by law to be recorded in his or her office and left with him or her for that
7 purpose, provided such documents have plainly printed or typewritten thereon the
8 names of the grantors, grantees, witnesses and notary. The register of deeds shall
9 record and file or cause to be recorded and filed all plats and certified survey maps

1 that are authorized to be accepted for recording and filing in his or her office. The
2 register of deeds shall maintain a separate index for recording conservation
3 easements, as defined in s. 700.40 (1) (a). Any county, by a resolution duly adopted
4 by the board, may combine the separate books or volumes for deeds, mortgages,
5 miscellaneous instruments, attachments, lis pendens, sales and notices, certificates
6 of organization of corporations, plats or other recorded or filed instruments or classes
7 of documents as long as separate indexes may be produced. Notwithstanding any
8 other provisions of the statutes, any county adopting a system of microfilming or like
9 process or a system of recording documents by optical imaging or electronic
10 formatting under ch. 228 may substitute the headings, reel, disk or electronic file
11 name and microfilm image (frame) for volume and page where recorded and different
12 classes of instruments may be recorded, reproduced or copied on or transferred to the
13 same reel, disk or electronic file or part of a reel or disk. All recordings made prior
14 to June 28, 1961, which would have been valid under this paragraph, had this
15 paragraph then been in effect, are hereby validated. In this subsection, “book”, if
16 automated recording or indexing equipment is used, includes the meaning given
17 under sub. (12) (d).”.

18 **2.** Page 728, line 20: delete that line and substitute “(2di), (2dj), (2dL), (2dm)
19 (2dr), (2ds), (2dx) ~~and, (3g), (3s), and (5s)~~ and not passed through”.

20 **3.** Page 735, line 20: after that line insert:

21 “**SECTION 2148p.** 71.07 (5s) of the statutes is created to read:

22 71.07 (5s) CONSERVATION LAND, CONSERVATION EASEMENT TAX CREDIT. (a)

23 *Definitions.* In this subsection:

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

4 2. “Conservation easement” has the meaning given in s. 700.40 (1) (a).

5 3. “Local governmental unit” means a political subdivision of this state, a
6 special purpose district in this state, an instrumentality or corporation of such a
7 political subdivision or special purpose district, a combination or subunit of any of
8 the foregoing, or an instrumentality of the state and any of the foregoing.

9 4. “Nonprofit conservation organization” has the meaning given in s. 23.0955
10 (1).

11 5. “Qualified appraisal” means any appraisal meeting the requirements of the
12 regulations prescribed under section 170 (a) (1) of the Internal Revenue Code.

13 6. “Qualified conservation contribution” has the meaning given in section 170
14 (h) of the Internal Revenue Code.

15 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
16 claimant may claim as a credit against the tax imposed under s. 71.02 an amount
17 equal to 50% of the value, based on a qualified appraisal, of property or a
18 conservation easement, to the extent that the property or easement is a qualified
19 conservation contribution, that is donated to the state, a local governmental unit, or
20 a nonprofit conservation organization in the taxable year in which the donation is
21 made or the easement is granted.

22 (c) *Limitations.* 1. The maximum credit that a claimant may claim under this
23 subsection in a taxable year is \$100,000.

24 2. No credit may be allowed under this subsection unless it is claimed within
25 the time period under s. 71.75 (2).

1 3. Section 71.28 (4) (e) and (f), as it applies to the credit under s. 71.28 (4),
2 applies to the credit under this subsection, except that with regard to the carry-over
3 provisions in s. 71.28 (4) (f) the maximum number of years that the credit under this
4 subsection may be carried forward is 10 years.

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

13 (5) Part-year residents and nonresidents of this state are not eligible for the
14 credit under this subsection.

15 (d) *Administration.* The department of revenue may enforce the credit under
16 this subsection and may take any action, conduct any proceeding, and proceed as it
17 is authorized in respect to taxes under this chapter. The income tax provisions in this
18 chapter relating to assessments, refunds, appeals, collection, interest, and penalties
19 apply to the credit under this subsection.”

20 **4.** Page 737, line 24: after that line insert:

21 “**SECTION 215ou.** 71.10 (4) (cs) of the statutes is created to read:

22 71.10 (4) (cs) Conservation land, conservation cascmnt tax credit under s.
23 71.07 (5s).”

1 **5.** Page 741, line 22: delete that line and substitute “(2dj), (2dL), (2dm), (2ds),
2 (2dx) and, (3g), (3s), and (5s) and passed through to partners”.

3 **6.** Page 769, line 1: delete that line and substitute “(1ds) ~~and~~, (1dx), (3g), and
4 (5s) and not passed through by a partnership, limited liability”.

5 **7.** Page 798, line 22: after that line insert:

6 “**SECTION 2179e.** 71.28 (5s) of the statutes is created to read:

7 **71.28 (5s)** CONSERVATION LAND, CONSERVATION EASEMENT TAX CREDIT. (a)

8 *Definitions.* In this subsection:

9 1. “Claimant” means a person who files a claim under this subsection.

10 2. “Conservation easement” has the meaning given in s. 700.40 (1) (a).

11 3. “Local governmental unit” means a political subdivision of this state, a
12 special purpose district in this state, an instrumentality or corporation of such a
13 political subdivision or special purpose district, a combination or subunit of any of
14 the foregoing, or an instrumentality of the state and any of the foregoing.

15 4. “Nonprofit conservation organization” has the meaning given in s. 23.0955
16 (1).

17 5. “Qualified appraisal” means any appraisal meeting the requirements of the
18 regulations prescribed under section 170 (a) (1) of the Internal Revenue Code.

19 6. “Qualified conservation contribution” has the meaning given in section 170
20 (h) of the Internal Revenue Code.

21 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
22 claimant may claim as a credit against the tax imposed under s. 71.23 an amount
23 equal to 50% of the value, based on a qualified appraisal, of property or a
24 conservation easement, to the extent that the property or easement is a qualified

1 conservation contribution, that is donated to the state, a local governmental unit, or
2 a nonprofit conservation organization in the taxable year in which the donation is
3 made or the easement is granted.

4 (c) *Limitations.* 1. The maximum credit that a claimant may claim under this
5 subsection in a taxable year is \$100,000.

6 2. No credit may be allowed under this subsection unless it is claimed within
7 the time period under s. 71.75 (2).

8 3. Subsection (4) (e) and (f), as it applies to the credit under sub. (4), applies to
9 the credit under this subsection, except that with regard to the carry-over provisions
10 in sub. (4) (f) the maximum number of years that the credit under this subsection may
11 be carried forward is 10 years.

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

20 (d) *Administration.* The department of revenue may enforce the credit under
21 this subsection and may take any action, conduct any proceeding, and proceed as it
22 is authorized in respect to taxes under this chapter. The income tax provisions in this
23 chapter relating to assessments, refunds, appeals, collection, interest, and penalties
24 apply to the credit under this subsection.

25 **SECTION 2179u.** 71.30 (3) (cs) of the statutes is created to read:

1 71.30 (3) (cs) Conservation land, conservation easement tax credit under s.
2 71.28 (5s).”.

3 **8.** Page 799, line 6: delete that line and substitute “(3g), and (5s) and passed
4 through to shareholders.”.

5 **9.** Page 821, line 17: after that line insert:

6 “**SECTION 2184p.** 71.45 (2) (a) 10. of the statutes is amended to read:

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

13 **10.** Page 831, line 18: after that line insert:

14 “**SECTION 2193e.** 71.47 (5s) of the statutes is created to read:

15 71.47 (5s) CONSERVATION LAND, CONSERVATION EASEMENT TAX CREDIT. (a)

16 *Definitions.* In this subsection:

17 1. “Claimant” means a person who files a claim under this subsection.

18 2. “Conservation easement” has the meaning given in s. 700.40 (1) (a).

19 3. “Local governmental unit” means a political subdivision of this state, a
20 special purpose district in this state, an instrumentality or corporation of such a
21 political subdivision or special purpose district, a combination or subunit of any of
22 the foregoing, or an instrumentality of the state and any of the foregoing.

23 4. “Nonprofit conservation organization” has the meaning given in s. 23.0955

24 (1).

1 5. “Qualified appraisal” means any appraisal meeting the requirements of the
2 regulations prescribed under section 170 (a) (1) of the Internal Revenue Code.

3 6. “Qualified conservation contribution” has the meaning given in section 170
4 (h) of the Internal Revenue Code.

5 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
6 claimant may claim as a credit against the tax imposed under s. 71.43 an amount
7 equal to 50% of the value, based on a qualified appraisal, of property or a
8 conservation easement, to the extent that the property or easement is a qualified
9 conservation contribution, that is donated to the state, a local governmental unit, or
10 a nonprofit conservation organization in the taxable year in which the donation is
11 made or the easement is granted.

12 (c) *Limitations.* 1. The maximum credit that a claimant may claim under this
13 subsection in a taxable year is \$100,000.

14 2. No credit may be allowed under this subsection unless it is claimed within
15 the time period under s. 71.75 (2).

16 3. Section 71.28 (4) (c) and (f), as it applies to the credit under s. 71.28 (4),
17 applies to the credit under this subsection, except that with regard to the carry-over
18 provisions in s. 71.28 (4) (f) the maximum number of years that the credit under this
19 subsection may be carried forward is 10 years.

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

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

3 (d) *Administration.* The department of revenue may enforce the credit under
4 this subsection and may take any action, conduct any proceeding, and proceed as it
5 is authorized in respect to taxes under this chapter. The income tax provisions in this
6 chapter relating to assessments, refunds, appeals, collection, interest, and penalties
7 apply to the credit under this subsection.

8 **SECTION 2193u.** 71.49 (1) (cs) of the statutes is created to read:

9 71.49 (1) (cs) Conservation land, conservation easement tax credit under s.
10 71.47 (5s).”.

11 **11.** Page 836, line 24: after that line insert:

12 “**SECTION 2205n.** 73.03 (57) of the statutes is created to read:

13 73.03 (57) (1y) To work with the department of natural resources and with the
14 Gathering Waters Conservancy to prepare a report, no later than the first day of the
15 60th month beginning after the effective date of this subsection [revisor inserts
16 date], on the effectiveness of the conservation land, conservation easement tax credit
17 under ss. 71.07 (5s), 71.28 (5), and 71.47 (5s), and to submit the report to the speaker
18 of the assembly and the president of the senate under s. 13.172 (3). The report shall
19 also recommend modifications of the tax credit to encourage conservation
20 donations.”.

21 **12.** Page 849, line 13: delete that line and substitute “(2di), (2dj), (2dL), (2dm),
22 (2dr), (2ds), (2dx) ~~and~~, (3g), (3s), and (5s); and plus or minus, as”.

23 **13.** Page 1403, line 9: after that line insert:

