

2001 DRAFTING REQUEST

Senate Amendment (SA-SSA1-SB55)

Received: 07/19/2001

Received By: kahlepj

Wantcd: Soon

Identical to LRB:

For: Legislative Fiscal Bureau

By/Representing: Shanovich (DH)

This file may be shown to any legislator: NO

Drafter: kahlepj

May Contact:

Addl. Drafters: jkreye

Subject: Econ. Development - misc.
 Econ. Development - bus. dev.
 Tax Credits - miscellaneous

Extra Copies:

Submit via email: NO

Requester's email:

Pre Topic:

LFB:.....Shanovich (DH) -

Topic:

Technology zones and agricultural development zone

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 07/19/2001	wjackson 07/19/2001					
/1			haugca 07/20/2001		lrb_docadmin 07/20/2001		

FE Sent For:

<END>

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1?	kahlepj	1 WJ 7/19	CH 1-20	CH 1-10 KF			

FE Sent For:

<END>

For Stouffer

commence designate up to 8 tech
zones
and one ag dev zone

* all require jt com or fin
approval

2001

Date (time) needed

very soon

LRB b 2195 / 1

BUDGET AMENDMENT

PK+JK : Wlj

See form AMENDMENTS — COMPONENTS & ITEMS.

D-note

SENATE AMENDMENT TO SENATE SUBSTITUTE AMENDMENT 1 TO 2001 SENATE BILL 55

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

#. Page , line :

#. Page , line :

#. Page , line :

#. Page , line :

#. Page , line :

#. Page , line :





State of Wisconsin
2001 - 2002 LEGISLATURE

LRBb1478/3
PJK&JK:cmh&wlj:kjf

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
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13 or succeeding taxable years.

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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.

Committee on Finance

*may, with the approval of the joint
one area*

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

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

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

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

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(4) (a) The department of commerce shall notify the department of revenue of 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

INSERT 8-21

Insert 8-20

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)

D - note

2001-2002 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb2195/ins
TJK.....

INSERT 8-20

- 1 **1.** Page 1176, line 21: delete lines 21 to 23 and substitute:
2 “(2) (a) The department may, with the approval of the joint committee on
3 finance, designate up to 8 areas in the state as technology zones. A business that is
4 located in a technology zone and”.

(END OF INSERT 8-20)

* Page 1176, line 20: delete that line and substitute “under s. 71.07(2di),
* (2dm), (2dx) or (3g), 71.28 (1di), (1dm), (1dx) or (3g), or 71.47(1di),
(1dm), (1dx) or (3g).”

INSERT 8-21

* Page 1178, line 17: delete that line and substitute “department
under ss. 71.07(2di), (2dm), (2dx), and (3g), 71.28 (1di), (1dm), (1dx),
and (3g), and 71.47(1di), (1dm), (1dx), and (3g)”

(end of insert 8-21)

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

LRBb2195/dn
PJK&JK./.....
Wlj

Ron:

This amendment makes the changes related to the number and approval of technology and agricultural development zones. It does not make the changes related to the tax credits in technology zones. Those changes are included in LRBb2196, which addresses the changes related to the Milwaukee development opportunity zone.

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, except to include the necessary cross-references to other relevant credits

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb2195/1dn
PJK&JK:wlj:ch

July 20, 2001

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State of Wisconsin
2001 - 2002 LEGISLATURE

LRBb2195/1
PJK&JK:wlj:ch

LFB:.....Shanovich (DH) – Technology zones and agricultural development
zone

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

SENATE AMENDMENT

TO SENATE 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)”.

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7 years.”.

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

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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)”.

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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 zone.** (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 may, with the approval of the joint committee on
2 finance, designate one area in the state as an agricultural development zone. The
3 area must be located in a rural municipality. An agricultural business that is located
4 in an agricultural development zone and that is certified by the department under
5 sub. (3) is eligible for tax benefits as provided 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 20: delete that line and substitute “under s. 71.07 (2di),
21 (2dm), (2dx), or (3g), 71.28 (1di), (1dm), (1dx), or (3g), or 71.47 (1di), (1dm), (1dx), or
22 (3g).”.

23 **26.** Page 1176, line 21: delete lines 21 to 23 and substitute:

1 “(2) (a) The department may, with the approval of the joint committee on
2 finance, designate up to 8 areas in the state as technology zones. A business that is
3 located in a technology zone and”.

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

5 **28.** Page 1178, line 17: delete that line and substitute “department under ss.
6 71.07 (2di), (2dm), (2dx), and (3g), 71.28 (1di), (1dm), (1dx), and (3g), and 71.47 (1di),
7 (1dm), (1dx), and (3g).”.

8 **29.** Page 1408, line 9: after that line insert:

9 “(30nk) AGRICULTURAL DEVELOPMENT ZONES. The treatment of sections 71.07
10 (2dx) (a) 2., (b) (intro.), (c), and (d), 71.28 (1dx) (a) 2., (b) (intro.), (c), and (d), 71.47
11 (1dx) (a) 2., (b) (intro.), (c), and (d) (with respect to claiming tax credits in an
12 agricultural development zone), and 560.798 (with respect to claiming tax credits)
13 of the statutes first applies to taxable years beginning on January 1, 2003.”.

14

(END)