

2001 DRAFTING REQUEST

Senate Amendment (SA-SSA1-SB55)

Received: **07/19/2001**

Received By: **kahlepj**

Wanted: **Soon**

Identical to LRB:

For: **Legislative Fiscal Bureau**

By/Representing: **Shanovich (DH)**

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

Drafter: **jkreye**

May Contact:

Addl. Drafters: **kahlepj**

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:

Milwaukee and Beloit development opportunity 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>
/P1	jkreye 07/19/2001	csicilia 07/19/2001		_____			
	kahlepj 07/19/2001	gilfokm 07/20/2001		_____			
	jkreye 07/19/2001			_____			

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
	kahlepj 07/20/2001			_____			
	jkreye 07/20/2001			_____			
/1	jkreye 07/21/2001	csicilia 07/21/2001	haugeca 07/20/2001	_____	lrb_docadmin 07/20/2001		
/2	jkreye 07/23/2001	wjackson 07/23/2001	haugeca 07/21/2001	_____	lrb_docadmin 07/22/2001		
/3			haugeca 07/23/2001	_____	lrb_docadmin 07/23/2001		

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/P1	jkreye 07/19/2001	csicilia 07/19/2001		_____			
	kahlepj 07/19/2001	gilfokm 07/20/2001		_____			
	jkreye 07/19/2001	13 wLj 7/23	↓	_____			

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	kahlejp						
	07/20/2001						
	jkreye						
	07/20/2001						

/1	jkreye	csicilia	haugeca		lrb_docadmin		
	07/21/2001	07/21/2001	07/20/2001		07/20/2001		

/2			haugeca		lrb_docadmin		
			07/21/2001		07/22/2001		

FE Sent For:

CH 7-23
 CH 7-23
 [Signature]

<END>

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	kahlepj 07/19/2001	gilfokm 07/20/2001		_____			
	jkreye 07/19/2001	/		_____			

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	kahlepj			_____			
	07/20/2001			_____			
	jkreye			_____			
	07/20/2001			_____			

/1			haugeca	_____	lrb_docadmin		
			07/20/2001	_____	07/20/2001		

FE Sent For:

1/2 cjs 7/21
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 ck 7-21
 ck
 <END>

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Milwaukee development opportunity zone

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1?	jkreye	1-7/20-01 KMG	CH 7-20	CH 7-20 WJ			

FE Sent For:

<END>

for Stranover:

expand miles dev opp. zone

so that it applies to

any business (not just

cops)

2001

Date (time) needed

very soon

LRB b 2196 11

BUDGET AMENDMENT

JK+PJK: King:

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

Write

**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

LRBb1063/2
JK:kmg:hmh

SDC:..... Keckhaver - CN1130, Technical correction to clarify use of the development zones tax credit for Milwaukee development opportunity zone

FOR 2001-03 BUDGET - NOT READY FOR INTRODUCTION

CAUCUS 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 18: after that line insert:

3 "SECTION 2145m. 71.07 (2di) (b) 1. of the statutes is amended to read:

4 71.07 (2di) (b) 1. Except as provided in subd. 2., the credit, including any
5 credits carried over, may be offset only against the amount of the tax otherwise due
6 under this chapter attributable to income from the business operations of the
7 claimant in the development zone; except that a claimant in a development zone

8 under s. 560.795 (1) (e) may offset the credit, including any credits carried over,
9 against the amount of the tax otherwise due under this chapter attributable to all

or in a technology zone under s. 560.96

1 of the claimant's income; and against the tax attributable to income from directly
2 related business operations of the claimant.

3 **SECTION 2145p.** 71.07 (2di) (b) 3. of the statutes is amended to read:

4 71.07 (2di) (b) 3. Partnerships, limited liability companies and tax-option
5 corporations may not claim the credit under this subsection, but the eligibility for,
6 and amount of, that credit shall be determined on the basis of their economic activity,
7 not that of their shareholders, partners or members. The corporation, partnership
8 or company shall compute the amount of the credit that may be claimed by each of
9 its shareholders, partners or members and shall provide that information to each of
10 its shareholders, partners or members. Partners, members of limited liability
11 companies and shareholders of tax-option corporations may claim the credit based
12 on the partnership's, company's or corporation's activities in proportion to their
13 ownership interest and may offset it against the tax attributable to their income from
14 the partnership's, company's or corporation's business operations in the
15 development zone; except that partners, members, and shareholders in a
16 development zone under s. 560.795 (1) (e) may offset the credit against the amount
17 of the tax attributable to their income from all of the partnership's, company's, or
18 corporation's business operations; and against the tax attributable to their income
19 from the partnership's, company's or corporation's directly related business
20 operations." *or in a technology zone under s. 560.96*

21 **2.** Page 733, line 2: after that line insert:

22 "(hm) Credits claimed under this subsection, including any credits carried over,
23 may be offset only against the amount of the tax otherwise due under this subchapter
24 attributable to income from the business operations of the claimant in the

#. Page 731, line 2; after (e) insert "and (f)".

✓

or in a technology zone under s. 560.96

1 development zone; except that a claimant in a development zone under s. 560.795 (1)

2 (e) may offset credits, including any credits carried over, against the amount of the

3 tax otherwise due under this subchapter attributable to all of the claimant's income;

4 and against the tax attributable to income from directly related business operations

5 of the claimant.”.

6 **3.** Page 733, line 14: after “zone” insert “; except that partners, members, and

7 shareholders in a development zone under s. 560.795 (1) (e) may offset the credit

8 against the amount of the tax attributable to their income from all of the

9 partnership's, company's, or corporation's business operations;”.

10 **4.** Page 734, line 22: after that line insert:

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

12 71.07 (2dx) (b) *Credit.* (intro.) Except as provided in pars. (be) and (bg) and

13 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person

14 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3)

15 or 560.797 (4), any person may claim as a credit against taxes imposed on the person's

16 income from the person's business activities in a development zone the following

17 amounts:

18 SECTION 2147m. 71.07 (2dx) (be) of the statutes is created to read:

19 71.07 (2dx) (be) *Offset.* A claimant in a development zone under s. 560.795 (1)

20 (e) may offset any credits claimed under this subsection, including any credits

21 carried over, against the amount of the tax otherwise due under this subchapter

22 attributable to all of the claimant's income and against the tax attributable to income

23 from directly related business operations of the claimant.

24 SECTION 2147p. 71.07 (2dx) (bg) of the statutes is created to read:

or in a technology zone under s. 560.96

1 71.07 (2dx) (bg) *Other entities*. For claimants in a development zone under s.
2 560.795 (1) (e), partnerships, limited liability companies, and tax-option
3 corporations may not claim the credit under this subsection, but the eligibility for,
4 and amount of, that credit shall be determined on the basis of their economic activity,
5 not that of their shareholders, partners, or members. The corporation, partnership,
6 or company shall compute the amount of the credit that may be claimed by each of
7 its shareholders, partners, or members and shall provide that information to each
8 of its shareholders, partners, or members. Partners, members of limited liability
9 companies, and shareholders of tax-option corporations may claim the credit based
10 on the partnership's, company's, or corporation's activities in proportion to their
11 ownership interest and may offset it against the tax attributable to their income from
12 all of the partnership's, company's, or corporation's business operations and against
13 the tax attributable to their income from the partnership's, company's, or
14 corporation's directly related business operations.”

15 **5.** Page 793, line 22: after that line insert:

16 “**SECTION 2176m.** 71.28 (1di) (b) 1. of the statutes is amended to read:

17 71.28 (1di) (b) 1. Except as provided in subd. 2., the credit, including any
18 credits carried over, may be offset only against the amount of the tax otherwise due
19 under this chapter attributable to income from the business operations of the
20 claimant in the development zone; except that a claimant in a development zone
21 under s. 560.795 (1) (e) may offset the credit, including any credits carried over,
22 against the amount of the tax otherwise due under this chapter attributable to all
23 of the claimant's income; and against the tax attributable to income from directly
24 related business operations of the claimant.

or in a technology zone under s. 560.96

e ~~(5)~~

Page 794, line 5: after "(e)" insert "and (f)".

1 SECTION 2176p. 71.28 (1di) (b) 3. of the statutes is amended to read:

2 71.28 (1di) (b) 3. Partnerships, limited liability companies and tax-option
3 corporations may not claim the credit under this subsection, but the eligibility for,
4 and amount of, that credit shall be determined on the basis of their economic activity,
5 not that of their shareholders, partners or members. The corporation, partnership
6 or limited liability company shall compute the amount of the credit that may be
7 claimed by each of its shareholders, partners or members and shall provide that
8 information to each of its shareholders, partners or members. Partners, members
9 of limited liability companies and shareholders of tax-option corporations may claim
10 the credit based on the partnership's, company's or corporation's activities in
11 proportion to their ownership interest and may offset it against the tax attributable
12 to their income from the partnership's, company's or corporation's business
13 operations in the development zone; except that partners, members, and

14 shareholders in a development zone under s. 560.795 (1) (e) may offset the credit
15 against the amount of the tax attributable to their income from all of the
16 partnership's, company's, or corporation's business operations; and against the tax
17 attributable to their income from the partnership's, company's or corporation's
18 directly related business operations." *or in a technology zone under s. 560.96*

19 6. Page 796, line 5: after that line insert:

20 "(hm) Credits claimed under this subsection, including any credits carried over,
21 may be offset only against the amount of the tax otherwise due under this subchapter
22 attributable to income from the business operations of the claimant in the
23 development zone; except that a claimant in a development zone under s. 560.795 (1)

24 (e) may offset credits, including any credits carried over, against the amount of the
or in a technology zone under s. 560.96

1 tax otherwise due under this subchapter attributable to all of the claimant's income;
2 and against the tax attributable to income from directly related business operations
3 of the claimant." *or in a technology zone under s. 560.96*

4 **7.** Page 796, line 17: after "zone" insert "; except that partners, members, and
5 shareholders in a development zone under s. 560.795 (1) (e) may offset the credit
6 against the amount of the tax attributable to their income from all of the
7 partnership's, company's, or corporation's business operations;"

8 **8.** Page 797, line 24: after that line insert:

9 "SECTION 2178k. 71.28 (1dx) (b) (intro.) of the statutes is amended to read:

10 71.28 (1dx) (b) *Credit.* (intro.) Except as provided in pars. (be) and (bg) and
11 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person
12 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3)
13 or 560.797 (4), any person may claim as a credit against taxes imposed on the person's
14 income from the person's business activities in a development zone under this
15 subchapter the following amounts:

16 **SECTION 2178m.** 71.28 (1dx) (be) of the statutes is created to read:

17 71.28 (1dx) (be) *Offset.* A claimant in a development zone under s. 560.795 (1)
18 (e) may offset any credits claimed under this subsection, including any credits
19 carried over, against the amount of the tax otherwise due under this subchapter
20 attributable to all of the claimant's income and against the tax attributable to income
21 from directly related business operations of the claimant.

22 **SECTION 2178p.** 71.28 (1dx) (bg) of the statutes is created to read:

23 71.28 (1dx) (bg) *Other entities.* For claimants in a development zone under s.
24 560.795 (1) (e), partnerships, limited liability companies, and tax-option

or in a technology zone under s. 560.96

1 corporations may not claim the credit under this subsection, but the eligibility for,
2 and amount of, that credit shall be determined on the basis of their economic activity,
3 not that of their shareholders, partners, or members. The corporation, partnership,
4 or company shall compute the amount of the credit that may be claimed by each of
5 its shareholders, partners, or members and shall provide that information to each
6 of its shareholders, partners, or members. Partners, members of limited liability
7 companies, and shareholders of tax-option corporations may claim the credit based
8 on the partnership's, company's, or corporation's activities in proportion to their
9 ownership interest and may offset it against the tax attributable to their income from
10 all of the partnership's, company's, or corporation's business operations and against
11 the tax attributable to their income from the partnership's, company's, or
12 corporation's directly related business operations.”

13 **9.** Page 826, line 16: after that line insert:

14 **“SECTION 2190m.** 71.47 (1di) (b) 1. of the statutes is amended to read:

15 71.47 (1di) (b) 1. Except as provided in subd. 2., the credit, including any
16 credits carried over, may be offset only against the amount of the tax otherwise due
17 under this chapter attributable to income from the business operations of the
18 claimant in the development zone; except that a claimant in a development zone
19 under s. 560.795 (1) (e) may offset the credit, including any credits carried over,
20 against the amount of the tax otherwise due under this chapter attributable to all
21 of the claimant's income; and against the tax attributable to income from directly
22 related business operations of the claimant.

23 **SECTION 2190p.** 71.47 (1di) (b) 3. of the statutes is amended to read:

or in a technology zone under s. 560.96

or in a technology zone under s. 560.96

1 71.47 (1d) (b) 3. Partnerships, limited liability companies and tax-option
2 corporations may not claim the credit under this subsection, but the eligibility for,
3 and amount of, that credit shall be determined on the basis of their economic activity,
4 not that of their shareholders, partners or members. The corporation, partnership
5 or limited liability company shall compute the amount of the credit that may be
6 claimed by each of its shareholders, partners or members and shall provide that
7 information to each of its shareholders, partners or members. Partners, members
8 of limited liability companies and shareholders of tax-option corporations may claim
9 the credit based on the partnership's, company's or corporation's activities in
10 proportion to their ownership interest and may offset it against the tax attributable
11 to their income from the partnership's, company's or corporation's business
12 operations in the development zone; except that a claimant in a development zone
13 under s. 560.795 (1) (e) may offset the credit, including any credits carried over,
14 against the amount of the tax otherwise due under this chapter attributable to all
15 of the claimant's income; and against the tax attributable to their income from the
16 partnership's, company's or corporation's directly related business operations."

17 **10.** Page 828, line 24: after that line insert:

18 “(hm) Credits claimed under this subsection, including any credits carried over,
19 may be offset only against the amount of the tax otherwise due under this subchapter
20 attributable to income from the business operations of the claimant in the
21 development zone; except that a claimant in a development zone under s. 560.795 (1)
22 (c)^f may offset credits, including any credits carried over, against the amount of the
23 tax otherwise due under this subchapter attributable to all of the claimant's income;

or in a technology zone under s. 560.96

✓ #, Page 826, line 24: after "(e)" insert "and (F)".

or in a technology zone under s. 560.96

1 and against the tax attributable to income from directly related business operations
2 of the claimant.”.

3 **11.** Page 829, line 12: after “zone” insert “; except that partners, members, and

4 shareholders in a development zone under s. 560.795 (1) (e) may offset the credit
5 against the amount of the tax attributable to their income from all of the
6 partnership’s, company’s, or corporation’s business operations;”.

7 **12.** Page 830, line 19: after that line insert:

8 “SECTION 2192k. 71.47 (1dx) (b) (intro.) of the statutes is amended to read:

9 71.47 (1dx) (b) *Credit.* (intro.) Except or provided in pars. (be) and (bg) and
10 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person
11 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3)
12 or 560.797 (4), any person may claim as a credit against taxes imposed on the person’s
13 income from the person’s business activities in a development zone under this
14 subchapter the following amounts:

15 **SECTION 2192m.** 71.47 (1dx) (be) of the statutes is created to read:

16 71.47 (1dx) (be) *Offset.* A claimant in a development zone under s. 560.795 (1)
17 (e) may offset any credits claimed under this subsection, including any credits
18 carried over, against the amount of the tax otherwise due under this subchapter
19 attributable to all of the claimant’s income and against the tax attributable to income
20 from directly related business operations of the claimant.

21 **SECTION 2192p.** 71.47 (1dx) (bg) of the statutes is created to read:

22 71.47 (1dx) (bg) *Other entities.* For claimants in a development zone under s.
23 560.795 (1) (e) partnerships, limited liability companies, and tax-option
24 corporations may not claim the credit under this subsection, but the eligibility for,

1 and amount of, that credit shall be determined on the basis of their economic activity,
 2 not that of their shareholders, partners, or members. The corporation, partnership,
 3 or company shall compute the amount of the credit that may be claimed by each of
 4 its shareholders, partners, or members and shall provide that information to each
 5 of its shareholders, partners, or members. Partners, members of limited liability
 6 companies, and shareholders of tax-option corporations may claim the credit based
 7 on the partnership's, company's, or corporation's activities in proportion to their
 8 ownership interest and may offset it against the tax attributable to their income from
 9 all of the partnership's, company's, or corporation's business operations and against
 10 the tax attributable to their income from the partnership's, company's, or
 11 corporation's directly related business operations.”

Insert 10-11

13. Page 1405, line 14: after that line insert:

13 “(11z) DEVELOPMENT ZONES CREDIT. The treatment of sections 71.07 (2di) (b) 1.
 14 and 3. and (2dx) (b) (intro.), (be), and (bg), 71.28 (1di) (b) 1. and 3. and (1dx) (b)
 15 (intro.), (be), and (bg), and 71.47 (1di) (b) 1. and 3. and (1dx) (b) (intro.), and (be) and
 16 (bg) of the statutes first applies to taxable years beginning on January 1 of the year
 17 in which this subsection takes effect, except that if this subsection takes effect after
 18 July 31 the treatment of sections 71.07 (2di) (b) 1. and 3. and (2dx) (b) (intro.), (be),
 19 and (bg), 71.28 (1di) (b) 1. and 3. and (1dx) (b) (intro.), and 71.47 (1di) (b) 1. and 3.
 20 and (1dx) (b) (intro.), (be), and (bg) of the statutes first applies to taxable years
 21 beginning on January 1 of the year following the year in which this subsection takes
 22 effect.”

(END)

D - note

2001-2002 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb2196/Plins
PJK:.....

INSERT 10-11

1 ✓ 1. Page 1173, line 7: delete "zone" and substitute "zones".

2 ✓ 2. Page 1173, line 7: after "(e)" insert "and (f)".

3 ✓ 3. Page 1173, line 11: after that line insert:

4 SECTION 3703p. 560.795 (2) (c) of the statutes is amended to read:

5 560.795 (2) (c) Annually, the department shall estimate the amount of forgone
6 state revenue because of tax benefits claimed by corporations or persons in each
7 development opportunity zone."

History: 1993 a. 232; 1995 a. 2; 1995 a. 27 ss. 6936p, 6936r, 9130 (4); 1997 a. 3, 27; 1999 a. 9, 32.

8 ✓ 4. Page 1173, line 25: after that line insert:

9 560.795 (3) (a) 4. Any person that is conducting or that intends to conduct
10 economic activity in a development opportunity zone under sub. (1) (e) and that, in
11 conjunction with the local governing body of the city in which the development
12 opportunity zone is located, submits a project plan as described in par. (b) to the
13 department shall be entitled to claim tax benefits while the area is designated as a
14 development opportunity zone.

15 SECTION 3704c. 560.795 (3) (a) 5. of the statutes is created to read:".

16 ✓ 5. Page 1174, line 1: delete "4." and substitute "5."

17 ✓ 6. Page 1174, line 2: delete "(e)" and substitute "(f)".

18 ✓ 7. Page 1174, line 6: after that line insert:

19 ✓ "SECTION 3704e. 560.795 (3) (b) 1. of the statutes is amended to read:

20 560.795 (3) (b) 1. The name and address of the corporation's or person's
21 business for which tax benefits will be claimed.

History: 1993 a. 232; 1995 a. 2; 1995 a. 27 ss. 6936p, 6936r, 9130 (4); 1997 a. 3, 27; 1999 a. 9, 32.

22 SECTION 3704f. 560.795 (3) (b) 2. of the statutes is amended to read:

Insert 10-11 A

1 560.795 (3) (b) 2. The appropriate federal tax identification number of the
2 corporation or person.

History: 1993 a. 232; 1995 a. 2; 1995 a. 27 ss. 6936p, 6936r, 9130 (4); 1997 a. 3, 27; 1999 a. 9, 32.

3 **SECTION 3704g.** 560.795 (3) (b) 3. of the statutes is amended to read:

4 560.795 (3) (b) 3. The names and addresses of other locations outside of the
5 development opportunity zone where the corporation or person conducts business
6 and a description of the business activities conducted at those locations.

History: 1993 a. 232; 1995 a. 2; 1995 a. 27 ss. 6936p, 6936r, 9130 (4); 1997 a. 3, 27; 1999 a. 9, 32.

7 **SECTION 3704h.** 560.795 (3) (b) 4. of the statutes is amended to read:

8 560.795 (3) (b) 4. The amount that the corporation or person proposes to invest
9 in a business, or spend on the construction, rehabilitation, repair, or remodeling of
10 a building, located within the development opportunity zone.

History: 1993 a. 232; 1995 a. 2; 1995 a. 27 ss. 6936p, 6936r, 9130 (4); 1997 a. 3, 27; 1999 a. 9, 32.

11 **SECTION 3704i.** 560.795 (3) (b) 5. of the statutes is amended to read:

12 560.795 (3) (b) 5. The estimated total investment of the corporation or person
13 in the development opportunity zone.

History: 1993 a. 232; 1995 a. 2; 1995 a. 27 ss. 6936p, 6936r, 9130 (4); 1997 a. 3, 27; 1999 a. 9, 32.

14 **SECTION 3704j.** 560.795 (3) (b) 6. of the statutes is amended to read:

15 560.795 (3) (b) 6. The number of full-time jobs that will be created, retained,
16 or substantially upgraded as a result of the corporation's or person's economic
17 activity in relation to the amount of tax benefits estimated for the corporation or
18 person.

History: 1993 a. 232; 1995 a. 2; 1995 a. 27 ss. 6936p, 6936r, 9130 (4); 1997 a. 3, 27; 1999 a. 9, 32.

19 **SECTION 3704k.** 560.795 (3) (b) 7. of the statutes is amended to read:

20 560.795 (3) (b) 7. The corporation's or person's plans to make reasonable
21 attempts to hire employees from the targeted population.

History: 1993 a. 232; 1995 a. 2; 1995 a. 27 ss. 6936p, 6936r, 9130 (4); 1997 a. 3, 27; 1999 a. 9, 32.

22 **SECTION 3704L.** 560.795 (3) (b) 8. of the statutes is amended to read:

1 560.795 (3) (b) 8. A description of the commitment of the local governing body
 2 of the city in which the development opportunity zone is located to the corporation's
 3 or person's project."

History: 1993 a. 232; 1995 a. 2; 1995 a. 27 ss. 6936p, 6936r, 9130 (4); 1997 a. 3, 27; 1999 a. 9, 32.

4 ✓ 8. Page 1174, line 9: after "corporations" insert "or persons"

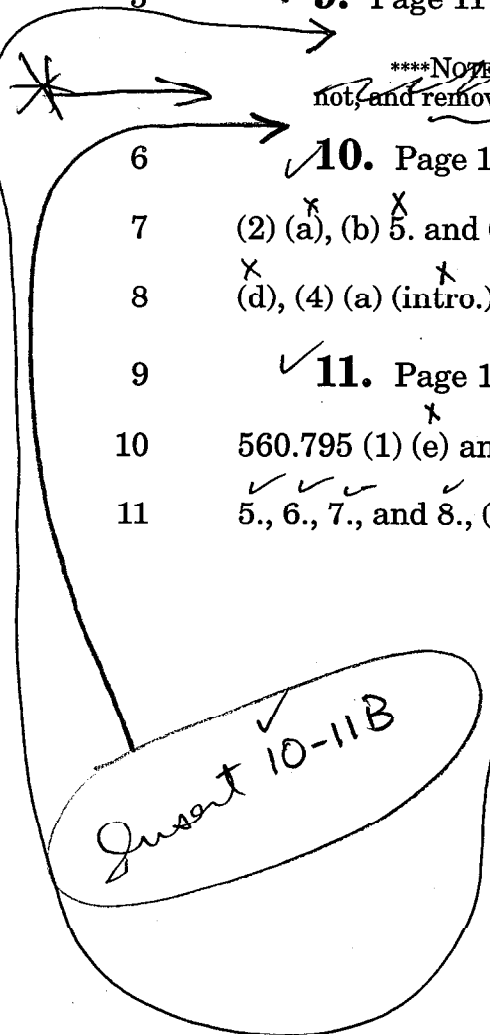
5 ✓ 9. Page 1174, line 16: ^{delete} after "corporation" ^{to} insert "or person" ^{corporation} ^{to} and substitute

~~****NOTE: Editor: will this be added in both places on that line? Please correct, if not, and remove this Note.~~

6 ✓ 10. Page 1404, line 16: delete that line and substitute "560.795 (1) (e) and (f),
 7 (2) (a), (b) 5. and 6., and (c), (3) (a) 4. and 5., (b) 1., 2., 3., 4., 5., 6., 7., and 8., (c), and
 8 (d), (4) (a) (intro.), and (5) of the statutes".

9 ✓ 11. Page 1404, line 19: delete that line and substitute "treatment of section
 10 560.795 (1) (e) and (f), (2) (a), (b) 5. and 6., and (c), (3) (a) 4. and 5., (b) 1., 2., 3., 4.,
 11 5., 6., 7., and 8., (c), and (d), (4) (a) (intro.),)".

(END OF INSERT 10-11)



✓ # Page 1174, line 16: delete "corporation does" and substitute "corporation or person does".



State of Wisconsin
2001 - 2002 LEGISLATURE

LRBb0865/1
PJK&JK:hmh.rs

SDC:.....Keckhaver - CN8501, Designate Gateway Project in Beloit as a development opportunity zone

FOR 2001-03 BUDGET - NOT READY FOR INTRODUCTION

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

Insert 10-11A

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

2 1. Page 731, line 2: after "(e)" insert "and (f)".

3 2. Page 794, line 5: after "(e)" insert "and (f)".

4 3. Page 826, line 24: after "(e)" insert "and (f)".

5 4. Page 1173, line 7: delete "zone" and substitute "zones".

6 5. Page 1173, line 7: after "(e)" insert "and (f)".

7 6. Page 1173, line 11: after that line insert:

8 "SECTION 3701m. 560.795 (1) (f) of the statutes is created to read:

continue

Ins. 10-11A contd.

Ins. 10-11A contd.

1 560.795 (1) (f) For the Gateway Project, an area in the city of Beloit, the legal description of which is provided to the department by the local governing body of the city of Beloit.”

✓ 7. Page 1173, line 18: delete “and (e)” and substitute “, (e), and (f)”.

5 ✓ 8. Page 1173, line 20: delete “designation of the area under sub. (1) (e)” and substitute “designations of the areas under sub. (1) (e) and (f)”.

7 ✓ 9. Page 1173, line 24: after that line insert:

8 “SECTION 3703m. 560.795 (2) (b) 6. of the statutes is created to read:

9 560.795 (2) (b) 6. The limit for the tax benefits for the development opportunity
10 zone under sub. (1) (f) is \$4,700,000. *(end of ins. 10-11A)*

Insert 10-11B

12 ✓ 11. Page 1174, line 21: after “(e)” insert “or (f)”.

13 ✓ 12. Page 1174, line 24: after “(e)” insert “or (f)”.

14 ✓ 13. Page 1175, line 20: after “(e)” insert “or (f)”.

15 ✓ 14. Page 1404, line 15: after “MILWAUKEE” insert “AND BELOIT”.

16 ✓ 15. Page 1404, line 15: delete “ZONE” and substitute “ZONES”.

17 ~~16. Page 1404, line 16: on lines 16 and 19, after “(e)” insert “and (f)”.~~

18 ~~17. Page 1404, line 16: on lines 16 and 19, after “(b) 5.” insert “and 6”.~~

(END)

(end of insert 10-11B)

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb2196/P1dn

PJK&JK.....

King

Ron:

This amendment replaces LRBb1063 (related to the tax credits for the Milwaukee development opportunity zone) and LRBb0865 (related to the Beloit opportunity zone) and expands the eligibility for tax credits in the Milwaukee development opportunity zone from "corporations" to "persons."

This amendment also treats technology zones in the same way that LRBb-1063 treated the Milwaukee development opportunity zone.

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.state.wi.us

Joseph T. Kreye
Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.state.wi.us

Ron Shanover — 2196

delete tech you reference from L-2196
except

ex) 71.07 (1dx) (lg)

↳ separate out the tech you
and create separate for tech you

but ~~and~~ remove the "offret"

language at the end (lg)

same for 71.28 (1dx) (lg) &

71.47 (1dx) (lg)



State of Wisconsin
2001 - 2002 LEGISLATURE

LRBb2196/1
JK&PJK:kmg/ch

cs

RM not R

LFB:.....Shanovich (DH) – Milwaukee and Beloit development opportunity zones

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

SENATE AMENDMENT

TO SENATE SUBSTITUTE AMENDMENT 1,

TO 2001 SENATE BILL 55

M 7-21-01

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

2 1. Page 730, line 18: after that line insert:

3 "SECTION 2145m. 71.07 (2di) (b) 1. of the statutes is amended to read:

4 71.07 (2di) (b) 1. Except as provided in subd. 2., the credit, including any

5 credits carried over, may be offset only against the amount of the tax otherwise due

6 under this chapter attributable to income from the business operations of the

7 claimant in the development zone; except that a claimant in a development zone

8 under s. 560.795 (1) (e) or in a technology zone under s. 560.96 may offset the credit.

9 including any credits carried over, against the amount of the tax otherwise due under

1 this chapter attributable to all of the claimant's income; and against the tax
2 attributable to income from directly related business operations of the claimant.

3 **SECTION 2145p.** 71.07 (2di) (b) 3. of the statutes is amended to read:

4 71.07 (2di) (b) 3. Partnerships, limited liability companies and tax-option
5 corporations may not claim the credit under this subsection, but the eligibility for,
6 and amount of, that credit shall be determined on the basis of their economic activity,
7 not that of their shareholders, partners or members. The corporation, partnership
8 or company shall compute the amount of the credit that may be claimed by each of
9 its shareholders, partners or members and shall provide that information to each of
10 its shareholders, partners or members. Partners, members of limited liability
11 companies and shareholders of tax-option corporations may claim the credit based
12 on the partnership's, company's or corporation's activities in proportion to their
13 ownership interest and may offset it against the tax attributable to their income from
14 the partnership's, company's or corporation's business operations in the
15 development zone; except that partners, members, and shareholders in a
16 development zone under s. 560.795 (1) (e) or in a technology zone under s. 560.96 may
17 offset the credit against the amount of the tax attributable to their income from all
18 of the partnership's, company's, or corporation's business operations; and against the
19 tax attributable to their income from the partnership's, company's or corporation's
20 directly related business operations."

21 **2.** Page 731, line 2: after "(e)" insert "and (f)".

22 **3.** Page 733, line 2: after that line insert:

23 "(hm) Credits claimed under this subsection, including any credits carried over,
24 may be offset only against the amount of the tax otherwise due under this subchapter

1 attributable to income from the business operations of the claimant in the
2 development zone; except that a claimant in a development zone under s. 560.795 (1)
3 (e) or in a technology zone under s. 560.96 may offset credits, including any credits
4 carried over, against the amount of the tax otherwise due under this subchapter
5 attributable to all of the claimant's income; and against the tax attributable to
6 income from directly related business operations of the claimant.”

7 4. Page 733, line 14: after “zone” insert “; except that partners, members, and
8 shareholders in a development zone under s. 560.795 (1) (e) or in a technology zone
9 under s. 560.96 may offset the credit against the amount of the tax attributable to
10 their income from all of the partnership's, company's, or corporation's business
11 operations;”.

12 5. Page 734, line 22: after that line insert:

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

14 71.07 (2dx) (b) *Credit*. (intro.) Except as provided in pars. (be) and (bg) and
15 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person
16 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3)
17 or 560.797 (4), any person may claim as a credit against taxes imposed on the person's
18 income from the person's business activities in a development zone the following
19 amounts:

20 SECTION 2147m. 71.07 (2dx) (be) of the statutes is created to read:

21 71.07 (2dx) (be) *Offset*. A claimant in a development zone under s. 560.795 (1)
22 (e) or in a technology zone under s. 560.96 may offset any credits claimed under this
23 subsection, including any credits carried over, against the amount of the tax
24 otherwise due under this subchapter attributable to all of the claimant's income and

1 against the tax attributable to income from directly related business operations of
2 the claimant.

3 **SECTION 2147p.** 71.07 (2dx) (bg) of the statutes is created to read:

4 71.07 (2dx) (bg) ^{1.} ~~Other entities.~~ For claimants in a development zone under s.
5 560.795 (1) (e) or in a technology zone under s. 560.96, partnerships, limited liability
6 companies, and tax-option corporations may not claim the credit under this
7 subsection, but the eligibility for, and amount of, that credit shall be determined on
8 the basis of their economic activity, not that of their shareholders, partners, or
9 members. The corporation, partnership, or company shall compute the amount of
10 the credit that may be claimed by each of its shareholders, partners, or members and
11 shall provide that information to each of its shareholders, partners, or members.
12 Partners, members of limited liability companies, and shareholders of tax-option
13 corporations may claim the credit based on the partnership's, company's, or
14 corporation's activities in proportion to their ownership interest and may offset it
15 against the tax attributable to their income from all of the partnership's, company's,
16 or corporation's business operations and against the tax attributable to their income
17 from the partnership's, company's, or corporation's directly related business
18 operations." Insert A

19 **6.** Page 793, line 22: after that line insert:

20 **"SECTION 2176m.** 71.28 (1di) (b) 1. of the statutes is amended to read:

21 71.28 (1di) (b) 1. Except as provided in subd. 2., the credit, including any
22 credits carried over, may be offset only against the amount of the tax otherwise due
23 under this chapter attributable to income from the business operations of the
24 claimant in the development zone; except that a claimant in a development zone

1 under s. 560.795 (1) (e) or in a technology zone under s. 560.96 may offset the credit,
2 including any credits carried over, against the amount of the tax otherwise due under
3 this chapter attributable to all of the claimant's income; and against the tax
4 attributable to income from directly related business operations of the claimant.

5 **SECTION 2176p.** 71.28 (1di) (b) 3. of the statutes is amended to read:

6 71.28 (1di) (b) 3. Partnerships, limited liability companies and tax-option
7 corporations may not claim the credit under this subsection, but the eligibility for,
8 and amount of, that credit shall be determined on the basis of their economic activity,
9 not that of their shareholders, partners or members. The corporation, partnership
10 or limited liability company shall compute the amount of the credit that may be
11 claimed by each of its shareholders, partners or members and shall provide that
12 information to each of its shareholders, partners or members. Partners, members
13 of limited liability companies and shareholders of tax-option corporations may claim
14 the credit based on the partnership's, company's or corporation's activities in
15 proportion to their ownership interest and may offset it against the tax attributable
16 to their income from the partnership's, company's or corporation's business
17 operations in the development zone; except that partners, members, and
18 shareholders in a development zone under s. 560.795 (1) (e) or in a technology zone
19 under s. 560.96 may offset the credit against the amount of the tax attributable to
20 their income from all of the partnership's, company's, or corporation's business
21 operations; and against the tax attributable to their income from the partnership's,
22 company's or corporation's directly related business operations."

23 **7.** Page 794, line 5: after "(e)" insert "and (f)".

24 **8.** Page 796, line 5: after that line insert:

1 “(hm) Credits claimed under this subsection, including any credits carried over,
2 may be offset only against the amount of the tax otherwise due under this subchapter
3 attributable to income from the business operations of the claimant in the
4 development zone; except that a claimant in a development zone under s. 560.795 (1)
5 (e) or in a technology zone under s. 560.96 may offset credits, including any credits
6 carried over, against the amount of the tax otherwise due under this subchapter
7 attributable to all of the claimant’s income; and against the tax attributable to
8 income from directly related business operations of the claimant.”.

9 **9.** Page 796, line 17: after “zone” insert “; except that partners, members, and
10 shareholders in a development zone under s. 560.795 (1) (e) or in a technology zone
11 under s. 560.96 may offset the credit against the amount of the tax attributable to
12 their income from all of the partnership’s, company’s, or corporation’s business
13 operations;”.

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

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

16 71.28 (1dx) (b) *Credit.* (intro.) Except as provided in pars. (be) and (bg) and
17 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person
18 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3)
19 or 560.797 (4), any person may claim as a credit against taxes imposed on the person’s
20 income from the person’s business activities in a development zone under this
21 subchapter the following amounts:

22 **SECTION 2178m.** 71.28 (1dx) (be) of the statutes is created to read:

23 71.28 (1dx) (be) *Offset.* A claimant in a development zone under s. 560.795 (1)
24 (e) or in a technology zone under s. 560.96 may offset any credits claimed under this

1 subsection, including any credits carried over, against the amount of the tax
2 otherwise due under this subchapter attributable to all of the claimant's income and
3 against the tax attributable to income from directly related business operations of
4 the claimant.

5 **SECTION 2178p.** 71.28 (1dx) (bg) of the statutes is created to read:

6 71.28 (1dx) (bg) *Other entities.* ^{1.} For claimants in a development zone under s.
7 560.795 (1) (e) or in a technology zone under s. 560.96 partnerships, limited liability
8 companies, and tax-option corporations may not claim the credit under this
9 subsection, but the eligibility for, and amount of, that credit shall be determined on
10 the basis of their economic activity, not that of their shareholders, partners, or
11 members. The corporation, partnership, or company shall compute the amount of
12 the credit that may be claimed by each of its shareholders, partners, or members and
13 shall provide that information to each of its shareholders, partners, or members.
14 Partners, members of limited liability companies, and shareholders of tax-option
15 corporations may claim the credit based on the partnership's, company's, or
16 corporation's activities in proportion to their ownership interest and may offset it
17 against the tax attributable to their income from all of the partnership's, company's,
18 or corporation's business operations and against the tax attributable to their income
19 from the partnership's, company's, or corporation's directly related business
20 operations.^y INSERT A

21 **11.** Page 826, line 16: after that line insert:

22 **"SECTION 2190m.** 71.47 (1di) (b) 1. of the statutes is amended to read:

23 71.47 (1di) (b) 1. Except as provided in subd. 2., the credit, including any
24 credits carried over, may be offset only against the amount of the tax otherwise due

1 under this chapter attributable to income from the business operations of the
2 claimant in the development zone; except that a claimant in a development zone
3 under s. 560.795 (1) (e) or in a technology zone under s. 560.96 may offset the credit,
4 including any credits carried over, against the amount of the tax otherwise due under
5 this chapter attributable to all of the claimant's income; and against the tax
6 attributable to income from directly related business operations of the claimant.

7 **SECTION 2190p.** 71.47 (1di) (b) 3. of the statutes is amended to read:

8 71.47 (1di) (b) 3. Partnerships, limited liability companies and tax-option
9 corporations may not claim the credit under this subsection, but the eligibility for,
10 and amount of, that credit shall be determined on the basis of their economic activity,
11 not that of their shareholders, partners or members. The corporation, partnership
12 or limited liability company shall compute the amount of the credit that may be
13 claimed by each of its shareholders, partners or members and shall provide that
14 information to each of its shareholders, partners or members. Partners, members
15 of limited liability companies and shareholders of tax-option corporations may claim
16 the credit based on the partnership's, company's or corporation's activities in
17 proportion to their ownership interest and may offset it against the tax attributable
18 to their income from the partnership's, company's or corporation's business
19 operations in the development zone; except that a claimant in a development zone
20 under s. 560.795 (1) (e) or in a technology zone under s. 560.96 may offset the credit,
21 including any credits carried over, against the amount of the tax otherwise due under
22 this chapter attributable to all of the claimant's income; and against the tax
23 attributable to their income from the partnership's, company's or corporation's
24 directly related business operations.”.

1 **12.** Page 826, line 24: after "(e)" insert "and (f)".

2 **13.** Page 828, line 24: after that line insert:

3 “(hm) Credits claimed under this subsection, including any credits carried over,
4 may be offset only against the amount of the tax otherwise due under this subchapter
5 attributable to income from the business operations of the claimant in the
6 development zone; except that a claimant in a development zone under s. 560.795 (1)
7 (e) or in a technology zone under s. 560.96 may offset credits, including any credits
8 carried over, against the amount of the tax otherwise due under this subchapter
9 attributable to all of the claimant’s income; and against the tax attributable to
10 income from directly related business operations of the claimant.”.

11 **14.** Page 829, line 12: after “zone” insert “; except that partners, members, and
12 shareholders in a development zone under s. 560.795 (1) (e) or in a technology zone
13 under s. 560.96 may offset the credit against the amount of the tax attributable to
14 their income from all of the partnership’s, company’s, or corporation’s business
15 operations;”.

16 **15.** Page 830, line 19: after that line insert:

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

18 71.47 (1dx) (b) *Credit.* (intro.) Except or provided in pars. (be) and (bg) and
19 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person
20 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3)
21 or 560.797 (4), any person may claim as a credit against taxes imposed on the person’s
22 income from the person’s business activities in a development zone under this
23 subchapter the following amounts:

24 **SECTION 2192m.** 71.47 (1dx) (be) of the statutes is created to read:

1 71.47 (1dx) (be) *Offset*. A claimant in a development zone under s. 560.795 (1)
2 (c) or in a technology zone under s. 560.96 may offset any credits claimed under this
3 subsection, including any credits carried over, against the amount of the tax
4 otherwise due under this subchapter attributable to all of the claimant's income and
5 against the tax attributable to income from directly related business operations of
6 the claimant.

7 **SECTION 2192p.** 71.47 (1dx) (bg) of the statutes is created to read:

8 71.47 (1dx) (bg) *Other entities*. For claimants in a development zone under s.
9 560.795 (1) (e) or in a technology zone under s. 560.96, partnerships, limited liability
10 companies, and tax-option corporations may not claim the credit under this
11 subsection, but the eligibility for, and amount of, that credit shall be determined on
12 the basis of their economic activity, not that of their shareholders, partners, or
13 members. The corporation, partnership, or company shall compute the amount of
14 the credit that may be claimed by each of its shareholders, partners, or members and
15 shall provide that information to each of its shareholders, partners, or members.
16 Partners, members of limited liability companies, and shareholders of tax-option
17 corporations may claim the credit based on the partnership's, company's, or
18 corporation's activities in proportion to their ownership interest and may offset it
19 against the tax attributable to their income from all of the partnership's, company's,
20 or corporation's business operations and against the tax attributable to their income
21 from the partnership's, company's, or corporation's directly related business
22 operations".

INSERT A

23 **16.** Page 1173, line 7: delete "zone" and substitute "zones".

24 **17.** Page 1173, line 7: after "(e)" insert "and (f)".

1 **18.** Page 1173, line 11: after that line insert:

2 “**SECTION 3701m.** 560.795 (1) (f) of the statutes is created to read:

3 560.795 (1) (f) For the Gateway Project, an area in the city of Beloit, the legal
4 description of which is provided to the department by the local governing body of the
5 city of Beloit.”.

6 **19.** Page 1173, line 18: delete “and (e)” and substitute “, (e), and (f)”.

7 **20.** Page 1173, line 20: delete “designation of the area under sub. (1) (e)” and
8 substitute “designations of the areas under sub. (1) (e) and (f)”.

9 **21.** Page 1173, line 24: after that line insert:

10 “**SECTION 3703m.** 560.795 (2) (b) 6. of the statutes is created to read:

11 560.795 (2) (b) 6. The limit for tax benefits for the development opportunity
12 zone under sub. (1) (f) is \$4,700,000.

13 **SECTION 3703p.** 560.795 (2) (c) of the statutes is amended to read:

14 560.795 (2) (c) Annually, the department shall estimate the amount of forgone
15 state revenue because of tax benefits claimed by corporations or persons in each
16 development opportunity zone.”.

17 **22.** Page 1173, line 25: after that line insert:

18 “560.795 (3) (a) 4. Any person that is conducting or that intends to conduct
19 economic activity in a development opportunity zone under sub. (1) (e) and that, in
20 conjunction with the local governing body of the city in which the development
21 opportunity zone is located, submits a project plan as described in par. (b) to the
22 department shall be entitled to claim tax benefits while the area is designated as a
23 development opportunity zone.

24 **SECTION 3704c.** 560.795 (3) (a) 5. of the statutes is created to read:”.

1 **23.** Page 1174, line 1: delete “4.” and substitute “5.”

2 **24.** Page 1174, line 2: delete “(e)” and substitute “(f)”.

3 **25.** Page 1174, line 6: after that line insert:

4 “**SECTION 3704e.** 560.795 (3) (b) 1. of the statutes is amended to read:

5 560.795 (3) (b) 1. The name and address of the corporation’s or person’s
6 business for which tax benefits will be claimed.

7 **SECTION 3704f.** 560.795 (3) (b) 2. of the statutes is amended to read:

8 560.795 (3) (b) 2. The appropriate federal tax identification number of the
9 corporation or person.

10 **SECTION 3704g.** 560.795 (3) (b) 3. of the statutes is amended to read:

11 560.795 (3) (b) 3. The names and addresses of other locations outside of the
12 development opportunity zone where the corporation or person conducts business
13 and a description of the business activities conducted at those locations.

14 **SECTION 3704h.** 560.795 (3) (b) 4. of the statutes is amended to read:

15 560.795 (3) (b) 4. The amount that the corporation or person proposes to invest
16 in a business, or spend on the construction, rehabilitation, repair, or remodeling of
17 a building, located within the development opportunity zone.

18 **SECTION 3704i.** 560.795 (3) (b) 5. of the statutes is amended to read:

19 560.795 (3) (b) 5. The estimated total investment of the corporation or person
20 in the development opportunity zone.

21 **SECTION 3704j.** 560.795 (3) (b) 6. of the statutes is amended to read:

22 560.795 (3) (b) 6. The number of full-time jobs that will be created, retained,
23 or substantially upgraded as a result of the corporation’s or person’s economic

1 activity in relation to the amount of tax benefits estimated for the corporation or
2 person.

3 **SECTION 3704k.** 560.795 (3) (b) 7. of the statutes is amended to read:

4 560.795 (3) (b) 7. The corporation's or person's plans to make reasonable
5 attempts to hire employees from the targeted population.

6 **SECTION 3704L.** 560.795 (3) (b) 8. of the statutes is amended to read:

7 560.795 (3) (b) 8. A description of the commitment of the local governing body
8 of the city in which the development opportunity zone is located to the corporation's
9 or person's project.”.

10 **26.** Page 1174, line 9: after “corporations” insert “or persons”.

11 **27.** Page 1174, line 16: delete “corporation to” and substitute “corporation or
12 person to”.

13 **28.** Page 1174, line 16: delete “corporation does” and substitute “corporation
14 or person does”.

15 **29.** Page 1174, line 21: after “(e)” insert “or (f)”.

16 **30.** Page 1174, line 24: after “(e)” insert “or (f)”.

17 **31.** Page 1175, line 20: after “(e)” insert “or (f)”.

18 **32.** Page 1404, line 15: after “MILWAUKEE” insert “AND BELOIT”.

19 **33.** Page 1404, line 15: delete “ZONE” and substitute “ZONES”.

20 **34.** Page 1404, line 16: delete that line and substitute “560.795 (1) (e) and (f),
21 (2) (a), (b) 5. and 6., and (c), (3) (a) 4. and 5., (b) 1., 2., 3., 4., 5., 6., 7., and 8., (c), and
22 (d), (4) (a) (intro.), and (5) of the statutes”.

1 **35.** Page 1404, line 19: delete that line and substitute “treatment of section
2 560.795 (1) (e) and (f), (2) (a), (b) 5. and 6., and (c), (3) (a) 4. and 5., (b) 1., 2., 3., 4.,
3 5., 6., 7., and 8., (c), and (d), (4) (a) (intro.),”.

4 **36.** Page 1405, line 14: after that line insert:

5 “(11z) DEVELOPMENT ZONES CREDIT. The treatment of sections 71.07 (2di) (b) 1.
6 and 3. and (2dx) (b) (intro.), (be), and (bg), 71.28 (1di) (b) 1. and 3. and (1dx) (b)
7 (intro.), (be), and (bg), and 71.47 (1di) (b) 1. and 3. and (1dx) (b) (intro.), and (be) and
8 (bg) of the statutes first applies to taxable years beginning on January 1 of the year
9 in which this subsection takes effect, except that if this subsection takes effect after
10 July 31 the treatment of sections 71.07 (2di) (b) 1. and 3. and (2dx) (b) (intro.), (be),
11 and (bg), 71.28 (1di) (b) 1. and 3. and (1dx) (b) (intro.), and 71.47 (1di) (b) 1. and 3.
12 and (1dx) (b) (intro.), (be), and (bg) of the statutes first applies to taxable years
13 beginning on January 1 of the year following the year in which this subsection takes
14 effect.”.

15

(END)

2001-2002 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb2196/lins
JK&PJK:kmg:ch

Insert A

1 2. For claimants in a technology zone under s. 560.96, partnerships, limited
2 liability companies, and tax-option corporations may not claim the credit under this
3 subsection, but the eligibility for, and amount of, that credit shall be determined on
4 the basis of their economic activity, not that of their shareholders, partners, or
5 members. The corporation, partnership, or company shall compute the amount of
6 the credit that may be claimed by each of its shareholders, partners, or members and
7 shall provide that information to each of its shareholders, partners, or members.
8 Partners, members of limited liability companies, and shareholders of tax-option
9 corporations may claim the credit based on the partnership's, company's, or
10 corporation's activities in proportion to their ownership interest.

END OF INSERT



State of Wisconsin
2001 - 2002 LEGISLATURE

LRBb2196/2
JK&PJK:kmg&cs:ch

3
Mint R
EWJ

LFB:.....Shanovich (DH) – Milwaukee and Beloit development opportunity zones

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

SENATE AMENDMENT

TO SENATE SUBSTITUTE AMENDMENT 1,

TO 2001 SENATE BILL 55

m 7-23-01

now

- 1 At the locations indicated, amend the substitute amendment as follows:
- 2 **1.** Page 730, line 18: after that line insert:
- 3 **"SECTION 2145m.** 71.07 (2di) (b) 1. of the statutes is amended to read:
- 4 71.07 (2di) (b) 1. Except as provided in subd. 2., the credit, including any
- 5 credits carried over, may be offset only against the amount of the tax otherwise due
- 6 under this chapter attributable to income from the business operations of the
- 7 claimant in the development zone; except that a claimant in a development zone
- 8 under s. 560.795 (1) (e) may offset the credit, including any credits carried over,
- 9 against the amount of the tax otherwise due under this chapter attributable to all

1 of the claimant's income; and against the tax attributable to income from directly
2 related business operations of the claimant.

3 **SECTION 2145p.** 71.07 (2di) (b) 3. of the statutes is amended to read:

4 71.07 (2di) (b) 3. Partnerships, limited liability companies and tax-option
5 corporations may not claim the credit under this subsection, but the eligibility for,
6 and amount of, that credit shall be determined on the basis of their economic activity,
7 not that of their shareholders, partners or members. The corporation, partnership
8 or company shall compute the amount of the credit that may be claimed by each of
9 its shareholders, partners or members and shall provide that information to each of
10 its shareholders, partners or members. Partners, members of limited liability
11 companies and shareholders of tax-option corporations may claim the credit based
12 on the partnership's, company's or corporation's activities in proportion to their
13 ownership interest and may offset it against the tax attributable to their income from
14 the partnership's, company's or corporation's business operations in the
15 development zone; except that partners, members, and shareholders in a
16 development zone under s. 560.795 (1) (e) may offset the credit against the amount
17 of the tax attributable to their income from all of the partnership's, company's, or
18 corporation's business operations; and against the tax attributable to their income
19 from the partnership's, company's or corporation's directly related business
20 operations.”.

21 **2.** Page 731, line 2: after “(e)” insert “and (f)”.

22 **3.** Page 733, line 2: after that line insert:

23 “(hm) Credits claimed under this subsection, including any credits carried over,
24 may be offset only against the amount of the tax otherwise due under this subchapter

1 attributable to income from the business operations of the claimant in the
2 development zone; except that a claimant in a development zone under s. 560.795 (1)
3 (e) may offset credits, including any credits carried over, against the amount of the
4 tax otherwise due under this subchapter attributable to all of the claimant's income;
5 and against the tax attributable to income from directly related business operations
6 of the claimant.”.

7 **4.** Page 733, line 14: after “zone” insert “; except that partners, members, and
8 shareholders in a development zone under s. 560.795 (1) (e) may offset the credit
9 against the amount of the tax attributable to their income from all of the
10 partnership's, company's, or corporation's business operations;”.

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


12 **SECTION 2147k.** 71.07 (2dx) (b) (intro.) of the statutes is amended to read:

13 71.07 (2dx) (b) *Credit.* (intro.) Except as provided in pars. (be) and (bg) and
14 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person
15 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3)
16 or 560.797 (4), any person may claim as a credit against taxes imposed on the person's
17 income from the person's business activities in a development zone the following
18 amounts:

19 **SECTION 2147m.** 71.07 (2dx) (be) of the statutes is created to read:

20 71.07 (2dx) (be) *Offset.* A claimant in a development zone under s. 560.795 (1)
21 (e) may offset any credits claimed under this subsection, including any credits
22 carried over, against the amount of the tax otherwise due under this subchapter
23 attributable to all of the claimant's income and against the tax attributable to income
24 from directly related business operations of the claimant.

1 **SECTION 2147p.** 71.07 (2dx) (bg) of the statutes is created to read:

2 71.07 (2dx) (bg) *Other entities.* 1. For claimants in a development zone under
3 s. 560.795 (1) (e), partnerships, limited liability companies, and tax-option
4 corporations may not claim the credit under this subsection, but the eligibility for,
5 and amount of, that credit shall be determined on the basis of their economic activity,
6 not that of their shareholders, partners, or members. The corporation, partnership,
7 or company shall compute the amount of the credit that may be claimed by each of
8 its shareholders, partners, or members and shall provide that information to each
9 of its shareholders, partners, or members. Partners, members of limited liability
10 companies, and shareholders of tax-option corporations may claim the credit based
11 on the partnership's, company's, or corporation's activities in proportion to their
12 ownership interest and may offset it against the tax attributable to their income from
13 all of the partnership's, company's, or corporation's business operations and against
14 the tax attributable to their income from the partnership's, company's, or
15 corporation's directly related business operations. 

16 2. For claimants in a technology zone under s. 560.96, partnerships, limited
17 liability companies, and tax-option corporations may not claim the credit under this
18 subsection, but the eligibility for, and amount of, that credit shall be determined on
19 the basis of their economic activity, not that of their shareholders, partners, or
20 members. The corporation, partnership, or company shall compute the amount of
21 the credit that may be claimed by each of its shareholders, partners, or members and
22 shall provide that information to each of its shareholders, partners, or members.
23 Partners, members of limited liability companies, and shareholders of tax-option
24 corporations may claim the credit based on the partnership's, company's, or
25 corporation's activities in proportion to their ownership interest."

1 **6.** Page 793, line 22: after that line insert:

2 “**SECTION 2176m.** 71.28 (1di) (b) 1. of the statutes is amended to read:

3 71.28 (1di) (b) 1. Except as provided in subd. 2., the credit, including any
4 credits carried over, may be offset only against the amount of the tax otherwise due
5 under this chapter attributable to income from the business operations of the
6 claimant in the development zone; except that a claimant in a development zone
7 under s. 560.795 (1) (e) may offset the credit, including any credits carried over,
8 against the amount of the tax otherwise due under this chapter attributable to all
9 of the claimant's income; and against the tax attributable to income from directly
10 related business operations of the claimant.

11 **SECTION 2176p.** 71.28 (1di) (b) 3. of the statutes is amended to read:

12 71.28 (1di) (b) 3. Partnerships, limited liability companies and tax-option
13 corporations may not claim the credit under this subsection, but the eligibility for,
14 and amount of, that credit shall be determined on the basis of their economic activity,
15 not that of their shareholders, partners or members. The corporation, partnership
16 or limited liability company shall compute the amount of the credit that may be
17 claimed by each of its shareholders, partners or members and shall provide that
18 information to each of its shareholders, partners or members. Partners, members
19 of limited liability companies and shareholders of tax-option corporations may claim
20 the credit based on the partnership's, company's or corporation's activities in
21 proportion to their ownership interest and may offset it against the tax attributable
22 to their income from the partnership's, company's or corporation's business
23 operations in the development zone; except that partners, members, and
24 shareholders in a development zone under s. 560.795 (1) (e) may offset the credit

1 against the amount of the tax attributable to their income from all of the
2 partnership's, company's, or corporation's business operations; and against the tax
3 attributable to their income from the partnership's, company's or corporation's
4 directly related business operations.”.

5 **7.** Page 794, line 5: after “(e)” insert “and (f)”.

6 **8.** Page 796, line 5: after that line insert:

7 “(hm) Credits claimed under this subsection, including any credits carried over,
8 may be offset only against the amount of the tax otherwise due under this subchapter
9 attributable to income from the business operations of the claimant in the
10 development zone; except that a claimant in a development zone under s. 560.795 (1)
11 (e) may offset credits, including any credits carried over, against the amount of the
12 tax otherwise due under this subchapter attributable to all of the claimant's income;
13 and against the tax attributable to income from directly related business operations
14 of the claimant.”.

15 **9.** Page 796, line 17: after “zone” insert “; except that partners, members, and
16 shareholders in a development zone under s. 560.795 (1) (e) may offset the credit
17 against the amount of the tax attributable to their income from all of the
18 partnership's, company's, or corporation's business operations;”.

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

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

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

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

3 **SECTION 2178m.** 71.28 (1dx) (be) of the statutes is created to read:

4 71.28 (1dx) (be) *Offset.* A claimant in a development zone under s. 560.795 (1)
5 (e) may offset any credits claimed under this subsection, including any credits
6 carried over, against the amount of the tax otherwise due under this subchapter
7 attributable to all of the claimant's income and against the tax attributable to income
8 from directly related business operations of the claimant.

9 **SECTION 2178p.** 71.28 (1dx) (bg) of the statutes is created to read:

10 71.28 (1dx) (bg) *Other entities.* (1) For claimants in a development zone under
11 s. 560.795 (1) (e), partnerships, limited liability companies, and tax-option
12 corporations may not claim the credit under this subsection, but the eligibility for,
13 and amount of, that credit shall be determined on the basis of their economic activity,
14 not that of their shareholders, partners, or members. The corporation, partnership,
15 or company shall compute the amount of the credit that may be claimed by each of
16 its shareholders, partners, or members and shall provide that information to each
17 of its shareholders, partners, or members. Partners, members of limited liability
18 companies, and shareholders of tax-option corporations may claim the credit based
19 on the partnership's, company's, or corporation's activities in proportion to their
20 ownership interest and may offset it against the tax attributable to their income from
21 all of the partnership's, company's, or corporation's business operations and against
22 the tax attributable to their income from the partnership's, company's, or
23 corporation's directly related business operations. ✓

24 ~~2. For claimants in a technology zone under s. 560.96, partnerships, limited~~
25 ~~liability companies, and tax-option corporations may not claim the credit under this~~

~~1 subsection, but the eligibility for, and amount of, that credit shall be determined on
2 the basis of their economic activity, not that of their shareholders, partners, or
3 members. The corporation, partnership, or company shall compute the amount of
4 the credit that may be claimed by each of its shareholders, partners, or members and
5 shall provide that information to each of its shareholders, partners, or members.
6 Partners, members of limited liability companies, and shareholders of tax-option
7 corporations may claim the credit based on the partnership's, company's, or
8 corporation's activities in proportion to their ownership interest."~~

9 **11.** Page 826, line 16: after that line insert:

10 **"SECTION 2190m.** 71.47 (1di) (b) 1. of the statutes is amended to read:

11 71.47 (1di) (b) 1. Except as provided in subd. 2., the credit, including any
12 credits carried over, may be offset only against the amount of the tax otherwise due
13 under this chapter attributable to income from the business operations of the
14 claimant in the development zone; except that a claimant in a development zone
15 under s. 560.795 (1) (e) may offset the credit, including any credits carried over,
16 against the amount of the tax otherwise due under this chapter attributable to all
17 of the claimant's income; and against the tax attributable to income from directly
18 related business operations of the claimant.

19 **SECTION 2190p.** 71.47 (1di) (b) 3. of the statutes is amended to read:

20 71.47 (1di) (b) 3. Partnerships, limited liability companies and tax-option
21 corporations may not claim the credit under this subsection, but the eligibility for,
22 and amount of, that credit shall be determined on the basis of their economic activity,
23 not that of their shareholders, partners or members. The corporation, partnership
24 or limited liability company shall compute the amount of the credit that may be

1 claimed by each of its shareholders, partners or members and shall provide that
2 information to each of its shareholders, partners or members. Partners, members
3 of limited liability companies and shareholders of tax-option corporations may claim
4 the credit based on the partnership's, company's or corporation's activities in
5 proportion to their ownership interest and may offset it against the tax attributable
6 to their income from the partnership's, company's or corporation's business
7 operations in the development zone; except that a claimant in a development zone
8 under s. 560.795 (1) (e) may offset the credit, including any credits carried over,
9 against the amount of the tax otherwise due under this chapter attributable to all
10 of the claimant's income; and against the tax attributable to their income from the
11 partnership's, company's or corporation's directly related business operations.”.

12 **12.** Page 826, line 24: after “(e)” insert “and (f)”.

13 **13.** Page 828, line 24: after that line insert:

14 “(hm) Credits claimed under this subsection, including any credits carried over,
15 may be offset only against the amount of the tax otherwise due under this subchapter
16 attributable to income from the business operations of the claimant in the
17 development zone; except that a claimant in a development zone under s. 560.795 (1)
18 (e) may offset credits, including any credits carried over, against the amount of the
19 tax otherwise due under this subchapter attributable to all of the claimant's income;
20 and against the tax attributable to income from directly related business operations
21 of the claimant.”.

22 **14.** Page 829, line 12: after “zone” insert “; except that partners, members, and
23 shareholders in a development zone under s. 560.795 (1) (e) may offset the credit

1 against the amount of the tax attributable to their income from all of the
2 partnership's, company's, or corporation's business operations;”.

3 **15.** Page 830, line 19: after that line insert:

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


5 71.47 (1dx) (b) *Credit.* (intro.) Except or provided in pars. (be) and (bg) and
6 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person
7 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3)
8 or 560.797 (4), any person may claim as a credit against taxes imposed on the person's
9 income from the person's business activities in a development zone under this
10 subchapter the following amounts:

11 **SECTION 2192m.** 71.47 (1dx) (be) of the statutes is created to read:

12 71.47 (1dx) (be) *Offset.* A claimant in a development zone under s. 560.795 (1)
13 (e) may offset any credits claimed under this subsection, including any credits
14 carried over, against the amount of the tax otherwise due under this subchapter
15 attributable to all of the claimant's income and against the tax attributable to income
16 from directly related business operations of the claimant.

17 **SECTION 2192p.** 71.47 (1dx) (bg) of the statutes is created to read:

18 71.47 (1dx) (bg) *Other entities.* (1) For claimants in a development zone under
19 s. 560.795 (1) (e), partnerships, limited liability companies, and tax-option
20 corporations may not claim the credit under this subsection, but the eligibility for,
21 and amount of, that credit shall be determined on the basis of their economic activity,
22 not that of their shareholders, partners, or members. The corporation, partnership,
23 or company shall compute the amount of the credit that may be claimed by each of
24 its shareholders, partners, or members and shall provide that information to each

1 of its shareholders, partners, or members. Partners, members of limited liability
2 companies, and shareholders of tax-option corporations may claim the credit based
3 on the partnership's, company's, or corporation's activities in proportion to their
4 ownership interest and may offset it against the tax attributable to their income from
5 all of the partnership's, company's, or corporation's business operations and against
6 the tax attributable to their income from the partnership's, company's, or
7 corporation's directly related business operations. 

~~8 2. For claimants in a technology zone under s. 560.96, partnerships, limited
9 liability companies, and tax-option corporations may not claim the credit under this
10 subsection, but the eligibility for, and amount of, that credit shall be determined on
11 the basis of their economic activity, not that of their shareholders, partners, or
12 members. The corporation, partnership, or company shall compute the amount of
13 the credit that may be claimed by each of its shareholders, partners, or members and
14 shall provide that information to each of its shareholders, partners, or members.
15 Partners, members of limited liability companies, and shareholders of tax-option
16 corporations may claim the credit based on the partnership's, company's, or
17 corporation's activities in proportion to their ownership interest."~~

18 **16.** Page 1173, line 7: delete "zone" and substitute "zones".

19 **17.** Page 1173, line 7: after "(e)" insert "and (f)".

20 **18.** Page 1173, line 11: after that line insert:

21 "**SECTION 3701m.** 560.795 (1) (f) of the statutes is created to read:

22 560.795 (1) (f) For the Gateway Project, an area in the city of Beloit, the legal
23 description of which is provided to the department by the local governing body of the
24 city of Beloit."

1 **19.** Page 1173, line 18: delete “and (e)” and substitute “, (e), and (f)”.

2 **20.** Page 1173, line 20: delete “designation of the area under sub. (1) (e)” and
3 substitute “designations of the areas under sub. (1) (e) and (f)”.

4 **21.** Page 1173, line 24: after that line insert:

5 “**SECTION 3703m.** 560.795 (2) (b) 6. of the statutes is created to read:

6 560.795 (2) (b) 6. The limit for tax benefits for the development opportunity
7 zone under sub. (1) (f) is \$4,700,000.

8 **SECTION 3703p.** 560.795 (2) (c) of the statutes is amended to read:

9 560.795 (2) (c) Annually, the department shall estimate the amount of forgone
10 state revenue because of tax benefits claimed by corporations or persons in each
11 development opportunity zone.”.

12 **22.** Page 1173, line 25: after that line insert:

13 “560.795 (3) (a) 4. Any person that is conducting or that intends to conduct
14 economic activity in a development opportunity zone under sub. (1) (e) and that, in
15 conjunction with the local governing body of the city in which the development
16 opportunity zone is located, submits a project plan as described in par. (b) to the
17 department shall be entitled to claim tax benefits while the area is designated as a
18 development opportunity zone.

19 **SECTION 3704c.** 560.795 (3) (a) 5. of the statutes is created to read:”.

20 **23.** Page 1174, line 1: delete “4.” and substitute “5.”.

21 **24.** Page 1174, line 2: delete “(e)” and substitute “(f)”.

22 **25.** Page 1174, line 6: after that line insert:

23 “**SECTION 3704e.** 560.795 (3) (b) 1. of the statutes is amended to read:

1 560.795 (3) (b) 1. The name and address of the corporation's or person's
2 business for which tax benefits will be claimed.

3 **SECTION 3704f.** 560.795 (3) (b) 2. of the statutes is amended to read:

4 560.795 (3) (b) 2. The appropriate federal tax identification number of the
5 corporation or person.

6 **SECTION 3704g.** 560.795 (3) (b) 3. of the statutes is amended to read:

7 560.795 (3) (b) 3. The names and addresses of other locations outside of the
8 development opportunity zone where the corporation or person conducts business
9 and a description of the business activities conducted at those locations.

10 **SECTION 3704h.** 560.795 (3) (b) 4. of the statutes is amended to read:

11 560.795 (3) (b) 4. The amount that the corporation or person proposes to invest
12 in a business, or spend on the construction, rehabilitation, repair, or remodeling of
13 a building, located within the development opportunity zone.

14 **SECTION 3704i.** 560.795 (3) (b) 5. of the statutes is amended to read:

15 560.795 (3) (b) 5. The estimated total investment of the corporation or person
16 in the development opportunity zone.

17 **SECTION 3704j.** 560.795 (3) (b) 6. of the statutes is amended to read:

18 560.795 (3) (b) 6. The number of full-time jobs that will be created, retained,
19 or substantially upgraded as a result of the corporation's or person's economic
20 activity in relation to the amount of tax benefits estimated for the corporation or
21 person.

22 **SECTION 3704k.** 560.795 (3) (b) 7. of the statutes is amended to read:

23 560.795 (3) (b) 7. The corporation's or person's plans to make reasonable
24 attempts to hire employees from the targeted population.

25 **SECTION 3704L.** 560.795 (3) (b) 8. of the statutes is amended to read:

1 560.795 (3) (b) 8. A description of the commitment of the local governing body
2 of the city in which the development opportunity zone is located to the corporation's
3 or person's project."

4 **26.** Page 1174, line 9: after "corporations" insert "or persons".

5 **27.** Page 1174, line 16: delete "corporation to" and substitute "corporation or
6 person to".

7 **28.** Page 1174, line 16: delete "corporation does" and substitute "corporation
8 or person does".

9 **29.** Page 1174, line 21: after "(e)" insert "or (f)".

10 **30.** Page 1174, line 24: after "(e)" insert "or (f)".

11 **31.** Page 1175, line 20: after "(e)" insert "or (f)".

12 **32.** Page 1404, line 15: after "MILWAUKEE" insert "AND BELOIT".

13 **33.** Page 1404, line 15: delete "ZONE" and substitute "ZONES".

14 **34.** Page 1404, line 16: delete that line and substitute "560.795 (1) (e) and (f),
15 (2) (a), (b) 5. and 6., and (c), (3) (a) 4. and 5., (b) 1., 2., 3., 4., 5., 6., 7., and 8., (c), and
16 (d), (4) (a) (intro.), and (5) of the statutes".

17 **35.** Page 1404, line 19: delete that line and substitute "treatment of section
18 560.795 (1) (e) and (f), (2) (a), (b) 5. and 6., and (c), (3) (a) 4. and 5., (b) 1., 2., 3., 4.,
19 5., 6., 7., and 8., (c), and (d), (4) (a) (intro.),".

20 **36.** Page 1405, line 14: after that line insert:

21 "(11z) DEVELOPMENT ZONES CREDIT. The treatment of sections 71.07 (2di) (b) 1.
22 and 3. and (2dx) (b) (intro.), (be), and (bg), 71.28 (1di) (b) 1. and 3. and (1dx) (b)
23 (intro.), (be), and (bg), and 71.47 (1di) (b) 1. and 3. and (1dx) (b) (intro.), and (be) and

1 (bg) of the statutes first applies to taxable years beginning on January 1 of the year
2 in which this subsection takes effect, except that if this subsection takes effect after
3 July 31 the treatment of sections 71.07 (2di) (b) 1. and 3. and (2dx) (b) (intro.), (be),
4 and (bg), 71.28 (1di) (b) 1. and 3. and (1dx) (b) (intro.), and 71.47 (1di) (b) 1. and 3.
5 and (1dx) (b) (intro.), (be), and (bg) of the statutes first applies to taxable years
6 beginning on January 1 of the year following the year in which this subsection takes
7 effect.”.

8

(END)



State of Wisconsin
2001 - 2002 LEGISLATURE

LRBb2196/3
JK&PJK:kmg/cs/wlj:ch

LFB:.....Shanovich (DH) – Milwaukee and Beloit development opportunity
zones

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 18: after that line insert:

3 **"SECTION 2145m.** 71.07 (2di) (b) 1. of the statutes is amended to read:

4 71.07 (2di) (b) 1. Except as provided in subd. 2., the credit, including any
5 credits carried over, may be offset only against the amount of the tax otherwise due
6 under this chapter attributable to income from the business operations of the
7 claimant in the development zone; except that a claimant in a development zone
8 under s. 560.795 (1) (e) may offset the credit, including any credits carried over,
9 against the amount of the tax otherwise due under this chapter attributable to all

1 of the claimant's income; and against the tax attributable to income from directly
2 related business operations of the claimant.

3 **SECTION 2145p.** 71.07 (2di) (b) 3. of the statutes is amended to read:

4 71.07 (2di) (b) 3. Partnerships, limited liability companies and tax-option
5 corporations may not claim the credit under this subsection, but the eligibility for,
6 and amount of, that credit shall be determined on the basis of their economic activity,
7 not that of their shareholders, partners or members. The corporation, partnership
8 or company shall compute the amount of the credit that may be claimed by each of
9 its shareholders, partners or members and shall provide that information to each of
10 its shareholders, partners or members. Partners, members of limited liability
11 companies and shareholders of tax-option corporations may claim the credit based
12 on the partnership's, company's or corporation's activities in proportion to their
13 ownership interest and may offset it against the tax attributable to their income from
14 the partnership's, company's or corporation's business operations in the
15 development zone; except that partners, members, and shareholders in a
16 development zone under s. 560.795 (1) (e) may offset the credit against the amount
17 of the tax attributable to their income from all of the partnership's, company's, or
18 corporation's business operations; and against the tax attributable to their income
19 from the partnership's, company's or corporation's directly related business
20 operations.”.

21 **2.** Page 731, line 2: after “(e)” insert “and (f)”.

22 **3.** Page 733, line 2: after that line insert:

23 “(hm) Credits claimed under this subsection, including any credits carried over,
24 may be offset only against the amount of the tax otherwise due under this subchapter

1 attributable to income from the business operations of the claimant in the
2 development zone; except that a claimant in a development zone under s. 560.795 (1)
3 (e) may offset credits, including any credits carried over, against the amount of the
4 tax otherwise due under this subchapter attributable to all of the claimant's income;
5 and against the tax attributable to income from directly related business operations
6 of the claimant.”.

7 **4.** Page 733, line 14: after “zone” insert “; except that partners, members, and
8 shareholders in a development zone under s. 560.795 (1) (e) may offset the credit
9 against the amount of the tax attributable to their income from all of the
10 partnership's, company's, or corporation's business operations;”.

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

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

13 71.07 (2dx) (b) *Credit.* (intro.) Except as provided in pars. (be) and (bg) and
14 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person
15 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3)
16 or 560.797 (4), any person may claim as a credit against taxes imposed on the person's
17 income from the person's business activities in a development zone the following
18 amounts:

19 **SECTION 2147m.** 71.07 (2dx) (be) of the statutes is created to read:

20 71.07 (2dx) (be) *Offset.* A claimant in a development zone under s. 560.795 (1)
21 (e) may offset any credits claimed under this subsection, including any credits
22 carried over, against the amount of the tax otherwise due under this subchapter
23 attributable to all of the claimant's income and against the tax attributable to income
24 from directly related business operations of the claimant.

1 **SECTION 2147p.** 71.07 (2dx) (bg) of the statutes is created to read:

2 71.07 (2dx) (bg) *Other entities.* For claimants in a development zone under s.
3 560.795 (1) (e), partnerships, limited liability companies, and tax-option
4 corporations may not claim the credit under this subsection, but the eligibility for,
5 and amount of, that credit shall be determined on the basis of their economic activity,
6 not that of their shareholders, partners, or members. The corporation, partnership,
7 or company shall compute the amount of the credit that may be claimed by each of
8 its shareholders, partners, or members and shall provide that information to each
9 of its shareholders, partners, or members. Partners, members of limited liability
10 companies, and shareholders of tax-option corporations may claim the credit based
11 on the partnership's, company's, or corporation's activities in proportion to their
12 ownership interest and may offset it against the tax attributable to their income from
13 all of the partnership's, company's, or corporation's business operations and against
14 the tax attributable to their income from the partnership's, company's, or
15 corporation's directly related business operations.”

16 **6.** Page 793, line 22: after that line insert:

17 **“SECTION 2176m.** 71.28 (1di) (b) 1. of the statutes is amended to read:

18 71.28 (1di) (b) 1. Except as provided in subd. 2., the credit, including any
19 credits carried over, may be offset only against the amount of the tax otherwise due
20 under this chapter attributable to income from the business operations of the
21 claimant in the development zone; except that a claimant in a development zone
22 under s. 560.795 (1) (e) may offset the credit, including any credits carried over,
23 against the amount of the tax otherwise due under this chapter attributable to all

1 of the claimant's income; and against the tax attributable to income from directly
2 related business operations of the claimant.

3 **SECTION 2176p.** 71.28 (1di) (b) 3. of the statutes is amended to read:

4 71.28 (1di) (b) 3. Partnerships, limited liability companies and tax-option
5 corporations may not claim the credit under this subsection, but the eligibility for,
6 and amount of, that credit shall be determined on the basis of their economic activity,
7 not that of their shareholders, partners or members. The corporation, partnership
8 or limited liability company shall compute the amount of the credit that may be
9 claimed by each of its shareholders, partners or members and shall provide that
10 information to each of its shareholders, partners or members. Partners, members
11 of limited liability companies and shareholders of tax-option corporations may claim
12 the credit based on the partnership's, company's or corporation's activities in
13 proportion to their ownership interest and may offset it against the tax attributable
14 to their income from the partnership's, company's or corporation's business
15 operations in the development zone; except that partners, members, and
16 shareholders in a development zone under s. 560.795 (1) (e) may offset the credit
17 against the amount of the tax attributable to their income from all of the
18 partnership's, company's, or corporation's business operations; and against the tax
19 attributable to their income from the partnership's, company's or corporation's
20 directly related business operations.”.

21 **7.** Page 794, line 5: after “(e)” insert “and (f)”.

22 **8.** Page 796, line 5: after that line insert:

23 “(hm) Credits claimed under this subsection, including any credits carried over,
24 may be offset only against the amount of the tax otherwise due under this subchapter

1 attributable to income from the business operations of the claimant in the
2 development zone; except that a claimant in a development zone under s. 560.795 (1)
3 (e) may offset credits, including any credits carried over, against the amount of the
4 tax otherwise due under this subchapter attributable to all of the claimant's income;
5 and against the tax attributable to income from directly related business operations
6 of the claimant.”.

7 **9.** Page 796, line 17: after “zone” insert “; except that partners, members, and
8 shareholders in a development zone under s. 560.795 (1) (e) may offset the credit
9 against the amount of the tax attributable to their income from all of the
10 partnership's, company's, or corporation's business operations;”.

11 **10.** Page 797, line 24: after that line insert:

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

13 71.28 (1dx) (b) *Credit.* (intro.) Except as provided in pars. (be) and (bg) and
14 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person
15 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3)
16 or 560.797 (4), any person may claim as a credit against taxes imposed on the person's
17 income from the person's business activities in a development zone under this
18 subchapter the following amounts:

19 **SECTION 2178m.** 71.28 (1dx) (be) of the statutes is created to read:

20 71.28 (1dx) (be) *Offset.* A claimant in a development zone under s. 560.795 (1)
21 (e) may offset any credits claimed under this subsection, including any credits
22 carried over, against the amount of the tax otherwise due under this subchapter
23 attributable to all of the claimant's income and against the tax attributable to income
24 from directly related business operations of the claimant.

1 **SECTION 2178p.** 71.28 (1dx) (bg) of the statutes is created to read:

2 71.28 (1dx) (bg) *Other entities.* For claimants in a development zone under s.
3 560.795 (1) (e), partnerships, limited liability companies, and tax-option
4 corporations may not claim the credit under this subsection, but the eligibility for,
5 and amount of, that credit shall be determined on the basis of their economic activity,
6 not that of their shareholders, partners, or members. The corporation, partnership,
7 or company shall compute the amount of the credit that may be claimed by each of
8 its shareholders, partners, or members and shall provide that information to each
9 of its shareholders, partners, or members. Partners, members of limited liability
10 companies, and shareholders of tax-option corporations may claim the credit based
11 on the partnership's, company's, or corporation's activities in proportion to their
12 ownership interest and may offset it against the tax attributable to their income from
13 all of the partnership's, company's, or corporation's business operations and against
14 the tax attributable to their income from the partnership's, company's, or
15 corporation's directly related business operations.”.

16 **11.** Page 826, line 16: after that line insert:

17 **“SECTION 2190m.** 71.47 (1di) (b) 1. of the statutes is amended to read:

18 71.47 (1di) (b) 1. Except as provided in subd. 2., the credit, including any
19 credits carried over, may be offset only against the amount of the tax otherwise due
20 under this chapter attributable to income from the business operations of the
21 claimant in the development zone; except that a claimant in a development zone
22 under s. 560.795 (1) (e) may offset the credit, including any credits carried over,
23 against the amount of the tax otherwise due under this chapter attributable to all

1 of the claimant's income; and against the tax attributable to income from directly
2 related business operations of the claimant.

3 **SECTION 2190p.** 71.47 (1di) (b) 3. of the statutes is amended to read:

4 71.47 (1di) (b) 3. Partnerships, limited liability companies and tax-option
5 corporations may not claim the credit under this subsection, but the eligibility for,
6 and amount of, that credit shall be determined on the basis of their economic activity,
7 not that of their shareholders, partners or members. The corporation, partnership
8 or limited liability company shall compute the amount of the credit that may be
9 claimed by each of its shareholders, partners or members and shall provide that
10 information to each of its shareholders, partners or members. Partners, members
11 of limited liability companies and shareholders of tax-option corporations may claim
12 the credit based on the partnership's, company's or corporation's activities in
13 proportion to their ownership interest and may offset it against the tax attributable
14 to their income from the partnership's, company's or corporation's business
15 operations in the development zone; except that a claimant in a development zone
16 under s. 560.795 (1) (e) may offset the credit, including any credits carried over,
17 against the amount of the tax otherwise due under this chapter attributable to all
18 of the claimant's income; and against the tax attributable to their income from the
19 partnership's, company's or corporation's directly related business operations.”.

20 **12.** Page 826, line 24: after “(e)” insert “and (f)”.

21 **13.** Page 828, line 24: after that line insert:

22 “(hm) Credits claimed under this subsection, including any credits carried over,
23 may be offset only against the amount of the tax otherwise due under this subchapter
24 attributable to income from the business operations of the claimant in the

1 development zone; except that a claimant in a development zone under s. 560.795 (1)
2 (c) may offset credits, including any credits carried over, against the amount of the
3 tax otherwise due under this subchapter attributable to all of the claimant's income;
4 and against the tax attributable to income from directly related business operations
5 of the claimant.”.

6 **14.** Page 829, line 12: after “zone” insert “; except that partners, members, and
7 shareholders in a development zone under s. 560.795 (1) (e) may offset the credit
8 against the amount of the tax attributable to their income from all of the
9 partnership's, company's, or corporation's business operations;”.

10 **15.** Page 830, line 19: after that line insert:

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

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

18 **SECTION 2192m.** 71.47 (1dx) (be) of the statutes is created to read:

19 71.47 (1dx) (be) *Offset.* A claimant in a development zone under s. 560.795 (1)
20 (e) may offset any credits claimed under this subsection, including any credits
21 carried over, against the amount of the tax otherwise due under this subchapter
22 attributable to all of the claimant's income and against the tax attributable to income
23 from directly related business operations of the claimant.

24 **SECTION 2192p.** 71.47 (1dx) (bg) of the statutes is created to read:

1 71.47 (1dx) (bg) *Other entities*. For claimants in a development zone under s.
2 560.795 (1) (e), partnerships, limited liability companies, and tax-option
3 corporations may not claim the credit under this subsection, but the eligibility for,
4 and amount of, that credit shall be determined on the basis of their economic activity,
5 not that of their shareholders, partners, or members. The corporation, partnership,
6 or company shall compute the amount of the credit that may be claimed by each of
7 its shareholders, partners, or members and shall provide that information to each
8 of its shareholders, partners, or members. Partners, members of limited liability
9 companies, and shareholders of tax-option corporations may claim the credit based
10 on the partnership's, company's, or corporation's activities in proportion to their
11 ownership interest and may offset it against the tax attributable to their income from
12 all of the partnership's, company's, or corporation's business operations and against
13 the tax attributable to their income from the partnership's, company's, or
14 corporation's directly related business operations.”.

15 **16.** Page 1173, line 7: delete “zone” and substitute “zones”.

16 **17.** Page 1173, line 7: after “(e)” insert “and (f)”.

17 **18.** Page 1173, line 11: after that line insert:

18 “**SECTION 3701m.** 560.795 (1) (f) of the statutes is created to read:

19 560.795 (1) (f) For the Gateway Project, an area in the city of Beloit, the legal
20 description of which is provided to the department by the local governing body of the
21 city of Beloit.”.

22 **19.** Page 1173, line 18: delete “and (e)” and substitute “, (e), and (f)”.

23 **20.** Page 1173, line 20: delete “designation of the area under sub. (1) (e)” and
24 substitute “designations of the areas under sub. (1) (e) and (f)”.

1 **21.** Page 1173, line 24: after that line insert:

2 “**SECTION 3703m.** 560.795 (2) (b) 6. of the statutes is created to read:

3 560.795 (2) (b) 6. The limit for tax benefits for the development opportunity
4 zone under sub. (1) (f) is \$4,700,000.

5 **SECTION 3703p.** 560.795 (2) (c) of the statutes is amended to read:

6 560.795 (2) (c) Annually, the department shall estimate the amount of forgone
7 state revenue because of tax benefits claimed by corporations or persons in each
8 development opportunity zone.”.

9 **22.** Page 1173, line 25: after that line insert:

10 “560.795 (3) (a) 4. Any person that is conducting or that intends to conduct
11 economic activity in a development opportunity zone under sub. (1) (e) and that, in
12 conjunction with the local governing body of the city in which the development
13 opportunity zone is located, submits a project plan as described in par. (b) to the
14 department shall be entitled to claim tax benefits while the area is designated as a
15 development opportunity zone.

16 **SECTION 3704c.** 560.795 (3) (a) 5. of the statutes is created to read:”.

17 **23.** Page 1174, line 1: delete “4.” and substitute “5.”.

18 **24.** Page 1174, line 2: delete “(e)” and substitute “(f)”.

19 **25.** Page 1174, line 6: after that line insert:

20 “**SECTION 3704e.** 560.795 (3) (b) 1. of the statutes is amended to read:

21 560.795 (3) (b) 1. The name and address of the corporation’s or person’s
22 business for which tax benefits will be claimed.

23 **SECTION 3704f.** 560.795 (3) (b) 2. of the statutes is amended to read:

1 560.795 (3) (b) 2. The appropriate federal tax identification number of the
2 corporation or person.

3 **SECTION 3704g.** 560.795 (3) (b) 3. of the statutes is amended to read:

4 560.795 (3) (b) 3. The names and addresses of other locations outside of the
5 development opportunity zone where the corporation or person conducts business
6 and a description of the business activities conducted at those locations.

7 **SECTION 3704h.** 560.795 (3) (b) 4. of the statutes is amended to read:

8 560.795 (3) (b) 4. The amount that the corporation or person proposes to invest
9 in a business, or spend on the construction, rehabilitation, repair, or remodeling of
10 a building, located within the development opportunity zone.

11 **SECTION 3704i.** 560.795 (3) (b) 5. of the statutes is amended to read:

12 560.795 (3) (b) 5. The estimated total investment of the corporation or person
13 in the development opportunity zone.

14 **SECTION 3704j.** 560.795 (3) (b) 6. of the statutes is amended to read:

15 560.795 (3) (b) 6. The number of full-time jobs that will be created, retained,
16 or substantially upgraded as a result of the corporation's or person's economic
17 activity in relation to the amount of tax benefits estimated for the corporation or
18 person.

19 **SECTION 3704k.** 560.795 (3) (b) 7. of the statutes is amended to read:

20 560.795 (3) (b) 7. The corporation's or person's plans to make reasonable
21 attempts to hire employees from the targeted population.

22 **SECTION 3704L.** 560.795 (3) (b) 8. of the statutes is amended to read:

23 560.795 (3) (b) 8. A description of the commitment of the local governing body
24 of the city in which the development opportunity zone is located to the corporation's
25 or person's project.”.

1 **26.** Page 1174, line 9: after “corporations” insert “or persons”.

2 **27.** Page 1174, line 16: delete “corporation to” and substitute “corporation or
3 person to”.

4 **28.** Page 1174, line 16: delete “corporation does” and substitute “corporation
5 or person does”.

6 **29.** Page 1174, line 21: after “(c)” insert “or (f)”.

7 **30.** Page 1174, line 24: after “(e)” insert “or (f)”.

8 **31.** Page 1175, line 20: after “(e)” insert “or (f)”.

9 **32.** Page 1404, line 15: after “MILWAUKEE” insert “AND BELOIT”.

10 **33.** Page 1404, line 15: delete “ZONE” and substitute “ZONES”.

11 **34.** Page 1404, line 16: delete that line and substitute “560.795 (1) (e) and (f),
12 (2) (a), (b) 5. and 6., and (c), (3) (a) 4. and 5., (b) 1., 2., 3., 4., 5., 6., 7., and 8., (c), and
13 (d), (4) (a) (intro.), and (5) of the statutes”.

14 **35.** Page 1404, line 19: delete that line and substitute “treatment of section
15 560.795 (1) (e) and (f), (2) (a), (b) 5. and 6., and (c), (3) (a) 4. and 5., (b) 1., 2., 3., 4.,
16 5., 6., 7., and 8., (c), and (d), (4) (a) (intro.)”.

17 **36.** Page 1405, line 14: after that line insert:

18 “(11z) DEVELOPMENT ZONES CREDIT. The treatment of sections 71.07 (2di) (b) 1.
19 and 3. and (2dx) (b) (intro.), (be), and (bg), 71.28 (1di) (b) 1. and 3. and (1dx) (b)
20 (intro.), (be), and (bg), and 71.47 (1di) (b) 1. and 3. and (1dx) (b) (intro.), and (bc) and
21 (bg) of the statutes first applies to taxable years beginning on January 1 of the year
22 in which this subsection takes effect, except that if this subsection takes effect after
23 July 31 the treatment of sections 71.07 (2di) (b) 1. and 3. and (2dx) (b) (intro.), (be),

1 and (bg), 71.28 (1di) (b) 1. and 3. and (1dx) (b) (intro.), and 71.47 (1di) (b) 1. and 3.
2 and (1dx) (b) (intro.), (be), and (bg) of the statutes first applies to taxable years
3 beginning on January 1 of the year following the year in which this subsection takes
4 effect.”.

5

(END)