

2003 DRAFTING REQUEST

Senate Amendment (SA-SB248)

Received: 09/24/2003

Received By: jkreye

Wanted: Today

Identical to LRB:

For: Cathy Stepp (608) 266-1832

By/Representing: scott

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Addl. Drafters:

Subject: Tax - corp. inc. and fran.

Extra Copies:

Submit via email: YES

Requester's email: Sen.Stepp@legis.state.wi.us

Carbon copy (CC:) to: joseph.kreye@legis.state.wi.us

Pre Topic:

No specific pre topic given

Topic:

Full-time job requirement

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>
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FE Sent For:

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FE Sent For:

2003 SENATE BILL 248

September 17, 2003 – Introduced by Senators HARSDORF, LASSA, ZIEN, JAUCH, SCHULTZ, KANAVAS, STEPP, WIRCH and ROESSLER, cosponsored by Representatives SUDER, NASS, VRUWINK, HAHN, PETTIS, ALBERS, FRISKE, SERATTI, TOWNS, MCCORMICK, HINES, JENSEN, AINSWORTH, TOWNSEND, KRAWCZYK and PETROWSKI. Referred to Select Committee on Job Creation.

1 **AN ACT** *to renumber and amend* 71.07 (3g) (a) 2., 71.28 (3g) (a) 2., 71.47 (3g)
2 (a) 2. and 560.96 (1); *to amend* 71.07 (3g) (a) 3., 71.28 (3g) (a) 3., 71.47 (3g) (a)
3 3. and 560.96 (3) (b) 1.; and *to create* 71.07 (3g) (a) 2. a., 71.07 (3g) (a) 2. b., 71.07
4 (3g) (e), 71.07 (3g) (f), 71.28 (3g) (a) 2. a., 71.28 (3g) (a) 2. b., 71.28 (3g) (e), 71.28
5 (3g) (f), 71.47 (3g) (a) 2. a., 71.47 (3g) (a) 2. b., 71.47 (3g) (e), 71.47 (3g) (f), 560.96
6 (1) (a), 560.96 (1) (b) and 560.96 (5) (j) of the statutes; **relating to:** the method
7 of calculating technology zone tax credits and the certification of businesses
8 under the technology zone program.

Analysis by the Legislative Reference Bureau

Under current law, a business that is located in a technology zone and certified by the Department of Commerce (Commerce) to receive tax credits may claim the credits in an amount, as adjusted by Commerce, that is equal to the sum of the property taxes, income and franchise taxes, and sales and use taxes that the business paid in the taxable year. One factor Commerce must consider in determining whether to certify a business is the number of new jobs the business is likely to create. Under current law, generally, partnerships, limited liability companies, and tax-option corporations do not pay income or franchise taxes, but, instead, pass their tax liability on to their partners, members, and shareholders who report the income received from such entities.

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Under this bill, the credit may be claimed in an amount, as adjusted by Commerce, that is equal to the sum of the real and personal property taxes that the business paid in the taxable year, an amount equal to 10 percent of the amount of capital investments that are made by the business in the technology zone, and an amount equal to 15 percent of the amount that is spent for the first 12 months of wages for each full-time job that is created in a technology zone after certification. Capital investments mean the purchase price of depreciable, tangible personal property and the amount that is expended to acquire, construct, rehabilitate, remodel, or repair real property in a technology zone.

The bill requires that capital investments, for which a credit is claimed, must be used in the technology zone during the period that the business is certified by Commerce. The bill also requires that the claimant must submit verification to the Department of Revenue that Commerce has certified the claimant's business, and that Commerce has verified the price and the location of the investments for which a credit is claimed. In addition, this bill specifies that, in determining whether to certify a business, Commerce must consider the number of full-time jobs the business is likely to create. The bill defines "full-time job," with certain exceptions, to mean a regular, nonseasonal full-time position in which an individual, as a condition of employment, is required to work at least 2,080 hours per year, including paid leave and holidays, and for which the individual is paid at least 200 percent of the federal minimum wage and receives benefits that are not required by federal or state law.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 SECTION 1. 71.07 (3g) (a) 2. of the statutes is renumbered 71.07 (3g) (a) 2. (intro.)
2 and amended to read:

3 71.07 (3g) (a) 2. (intro.) ~~The amount of income and franchise taxes imposed~~
4 ~~under s. 71.02 that the business paid in the taxable year. Ten percent of the following~~
5 amounts of capital investments that are made by the business in the technology zone
6 in the year to which the claim relates:

7 SECTION 2. 71.07 (3g) (a) 2. a. of the statutes is created to read:

8 71.07 (3g) (a) 2. a. The purchase price of depreciable, tangible personal
9 property.

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1 **SECTION 3.** 71.07 (3g) (a) 2. b. of the statutes is created to read:

2 71.07 (3g) (a) 2. b. The amount expended to acquire, construct, rehabilitate,
3 remodel, or repair real property in a technology zone.

4 **SECTION 4.** 71.07 (3g) (a) 3. of the statutes is amended to read:

5 71.07 (3g) (a) 3. ~~The amount of sales and use taxes imposed under ss. 77.52,~~
6 ~~77.53, and 77.71 that the business paid in the taxable year~~ Fifteen percent of the
7 amount that is spent for the first 12 months of wages for each full-time job that is
8 created in a technology zone after certification. "Full-time job" has the meaning
9 given in s. 560.96 (1) (a).

10 **SECTION 5.** 71.07 (3g) (e) of the statutes is created to read:

11 71.07 (3g) (e) 1. No amount described under par. (a) 2. may be used in the
12 calculation of a credit under this subsection if that amount is used in the calculation
13 of any other credit under this chapter.

14 2. The investments that relate to the amount described under par. (a) 2. for
15 which a claimant makes a claim under this subsection must be retained for use in
16 the technology zone for the period during which the claimant's business is certified
17 under s. 560.96 (3).

18 **SECTION 6.** 71.07 (3g) (f) of the statutes is created to read:

19 71.07 (3g) (f) No credit may be allowed under this subsection unless the
20 claimant includes with the claimant's return:

21 1. A copy of a verification from the department of commerce that the claimant's
22 business is certified under s. 560.96 (3) and that the business and the department
23 of commerce have entered into an agreement under s. 560.96 (3) (d).

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1 2. A statement from the department of commerce verifying the purchase price
2 of the investment described under par. (a) 2. and verifying that the investment
3 fulfills the requirement under par. (e) 2.

4 **SECTION 7.** 71.28 (3g) (a) 2. of the statutes is renumbered 71.28 (3g) (a) 2. (intro.)
5 and amended to read:

6 71.28 (3g) (a) 2. (intro.) ~~The amount of income and franchise taxes imposed~~
7 ~~under s. 71.23 that the business paid in the taxable year.~~ Ten percent of the following
8 amounts of capital investments that are made by the business in the technology zone
9 in the year to which the claim relates:

10 **SECTION 8.** 71.28 (3g) (a) 2. a. of the statutes is created to read:

11 71.28 (3g) (a) 2. a. The purchase price of depreciable, tangible personal
12 property.

13 **SECTION 9.** 71.28 (3g) (a) 2. b. of the statutes is created to read:

14 71.28 (3g) (a) 2. b. The amount expended to acquire, construct, rehabilitate,
15 remodel, or repair real property in a technology zone.

16 **SECTION 10.** 71.28 (3g) (a) 3. of the statutes is amended to read:

17 71.28 (3g) (a) 3. ~~The amount of sales and use taxes imposed under ss. 77.52,~~
18 ~~77.53, and 77.71 that the business paid in the taxable year~~ Fifteen percent of the
19 amount that is spent for the first 12 months of wages for each full-time job that is
20 created in a technology zone after certification. "Full-time job" has the meaning
21 given in s. 560.96 (1) (a).

22 **SECTION 11.** 71.28 (3g) (e) of the statutes is created to read:

23 71.28 (3g) (e) 1. No amount described under par. (a) 2. may be used in the
24 calculation of a credit under this subsection if that amount is used in the calculation
25 of any other credit under this chapter.

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1 2. The investments that relate to the amount described under par. (a) 2. for
2 which a claimant makes a claim under this subsection must be retained for use in
3 the technology zone for the period during which the claimant's business is certified
4 under s. 560.96 (3).

5 **SECTION 12.** 71.28 (3g) (f) of the statutes is created to read:

6 71.28 (3g) (f) No credit may be allowed under this subsection unless the
7 claimant includes with the claimant's return:

8 1. A copy of a verification from the department of commerce that the claimant's
9 business is certified under s. 560.96 (3) and that the business and the department
10 of commerce have entered into an agreement under s. 560.96 (3) (d).

11 2. A statement from the department of commerce verifying the purchase price
12 of the investment described under par. (a) 2. and verifying that the investment
13 fulfills the requirement under par. (e) 2.

14 **SECTION 13.** 71.47 (3g) (a) 2. of the statutes is renumbered 71.47 (3g) (a) 2.
15 (intro.) and amended to read:

16 71.47 (3g) (a) 2. (intro.) ~~The amount of income and franchise taxes imposed~~
17 ~~under s. 71.43 that the business paid in the taxable year. Ten percent of the following~~
18 ~~amounts of capital investments that are made by the business in the technology zone~~
19 ~~in the year to which the claim relates:~~

20 **SECTION 14.** 71.47 (3g) (a) 2. a. of the statutes is created to read:

21 71.47 (3g) (a) 2. a. The purchase price of depreciable, tangible personal
22 property.

23 **SECTION 15.** 71.47 (3g) (a) 2. b. of the statutes is created to read:

24 71.47 (3g) (a) 2. b. The amount expended to acquire, construct, rehabilitate,
25 remodel, or repair real property in a technology zone.

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1 **SECTION 16.** 71.47 (3g) (a) 3. of the statutes is amended to read:

2 71.47 **(3g)** (a) 3. ~~The amount of sales and use taxes imposed under ss. 77.52,~~
3 ~~77.53, and 77.71 that the business paid in the taxable year~~ Fifteen percent of the
4 amount that is spent for the first 12 months of wages for each **full-time** job that is
5 created in a technology zone after certification. "Full-time job" has the meaning
6 given in s. 560.96 (1) (a).

7 **SECTION 17.** 71.47 (3g) (e) of the statutes is created to read:

8 71.47 **(3g)** (e) 1. No amount described under par. (a) 2. may be used in the
9 calculation of a credit under this subsection if that amount is used in the calculation
10 of any other credit under this chapter.

11 2. The investments that relate to the amount described under par. (a) 2. for
12 which a claimant makes a claim under this subsection must be retained for use in
13 the technology zone for the period during which the claimant's business is certified
14 under s. 560.96 (3).

15 **SECTION 18.** 71.47 (3g) (f) of the statutes is created to read:

16 71.47 **(3g)** (f) No credit may be allowed under this subsection unless the
17 claimant includes with the claimant's return:

18 1. A copy of a verification from the department of commerce that the claimant's
19 business is certified under s. 560.96 (3) and that the business and the department
20 of commerce have entered into an agreement under s. 560.96 (3) (d).

21 2. A statement from the department of commerce verifying the purchase price
22 of the investment described under par. (a) 2. and verifying that the investment
23 fulfills the requirement under par. (e) 2.

24 **SECTION 19.** 560.96 (1) of the statutes is renumbered 560.96 (1) (intro.) and
25 amended to read:

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Stays

SENATE AMENDMENT,
TO 2003 SENATE BILL 248

in 9-24-03
Today

* Page 3, line 7: delete "full-time".

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

2 1. Page 3, line 8: delete lines 8 and 9 and substitute "created in a technology
3 zone after certification." * Page 4, line 19: delete "full-time".

4 2. Page 4, line 20: delete lines 20 and 21 and substitute "created in a
5 technology zone after certification."

6 3. Page 6, line 5: delete lines 5 and 6 and substitute "created in a technology
7 zone after certification."

8 4. Page 6, line 24: delete the material beginning with that line and ending with
9 page 7, line 21.

10 (END)

* Page 6, line 4: delete "full-time".