



State of Wisconsin  
2003 - 2004 LEGISLATURE

LRB-3761/P1  
JK&RJM: kcf

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PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

*Dwatz*

*AM 12-5-03*

*500N*

*and a loan program for certain construction projects in an airport development zone*

1 AN ACT ...; relating to: creating income and franchise tax credits for businesses located in an airport development zone.

*2 DWS ANALYSIS A*

*Analysis by the Legislative Reference Bureau*

*7WS ANALYSIS B*

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

3 SECTION 1. 71.05 (1) (g) of the statutes is created to read:  
4 71.05 (1) (g) *Business income in an airport development zone.* Income of a  
5 person's business that is located in an airport development zone in an amount equal  
6 to the income derived from the person's business activities in the airport  
7 development zone in the taxable year, minus the income derived from the person's  
8 business activities in the area that was designated an airport development zone in  
9 the taxable year immediately preceding the taxable year in which the area was  
10 designated an airport development zone under s. 560.799 (X) (Z)

History: 1987 a. 312; 1987 a. 411 ss. 42, 43, 45, 47 to 49, 51 to 53; 1989 a. 31, 46; 1991 a. 2, 37, 39, 269; 1993 a. 16, 112, 204, 263, 437; 1995 a. 27, 56, 209, 227, 261, 371, 403, 453; 1997 a. 27, 35, 39, 237; 1999 a. 9, 32, 44, 54, 65, 167; 2001 a. 16, 104, 105, 109.

1 SECTION ~~2~~ 71.07 (2dm) (a) 1. of the statutes is amended to read:

2 71.07 (2dm) (a) 1. "Certified" means entitled under s. 560.795 (3) (a) 4. to claim  
3 tax benefits or certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (K). (4)

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27  
ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109.

4 SECTION ~~3~~ 71.07 (2dm) (a) 3. of the statutes is amended to read:

5 71.07 (2dm) (a) 3. "Development zone" means a development opportunity zone  
6 under s. 560.795 (1) (e) and (f) or 560.798, or an airport development zone under s.  
7 560.799.

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27  
ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109.

8 SECTION ~~4~~ 71.07 (2dm) (f) 1. of the statutes is amended to read:

9 71.07 (2dm) (f) 1. A copy of a verification from the department of commerce that  
10 the claimant may claim tax benefits under s. 560.795 (3) (a) 4. or is certified under  
11 s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (K). (4)

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27  
ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109.

12 SECTION ~~5~~ 71.07 (2dm) (j) of the statutes is amended to read:

13 71.07 (2dm) (j) If a person who is entitled under s. 560.795 (3) (a) 4. to claim  
14 tax benefits becomes ineligible for such tax benefits, or if a person's certification  
15 under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (K) is revoked, that person may claim  
16 no credits under this subsection for the taxable year that includes the day on which  
17 the person becomes ineligible for tax benefits, the taxable year that includes the day  
18 on which the certification is revoked, or succeeding taxable years, and that person  
19 may carry over no unused credits from previous years to offset tax under this chapter  
20 for the taxable year that includes the day on which the person becomes ineligible for  
21 tax benefits, the taxable year that includes the day on which the certification is  
22 revoked, or succeeding taxable years.

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27  
ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109.

1            ~~SECTION 6~~ 71.07 (2dm) (k) of the statutes is amended to read:

2            71.07 (2dm) (k) If a person who is entitled under s. 560.795 (3) (a) 4. to claim  
3            tax benefits or certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (K) ceases <sup>(4)</sup>  
4            business operations in the development zone during any of the taxable years that  
5            that zone exists, that person may not carry over to any taxable year following the  
6            year during which operations cease any unused credits from the taxable year during  
7            which operations cease or from previous taxable years.

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109.

8            ~~SECTION 7~~ 71.07 (2dx) (a) 2. of the statutes is amended to read:

9            71.07 (2dx) (a) 2. "Development zone" means a development zone under s.  
10            560.70, a development opportunity zone under s. 560.795, an enterprise  
11            development zone under s. 560.797, ~~or~~ an agricultural development zone under s.  
12            560.798, or an airport development zone under s. 560.799.

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109.

13            ~~SECTION 8~~ 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            560.797 (4) ~~or~~, 560.798 (3), or 560.799 (K), any person may claim as a credit against <sup>(4)</sup>  
18            taxes imposed on the person's income from the person's business activities in a  
19            development zone the following amounts:

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109.

20            ~~SECTION 9~~ 71.07 (2dx) (c) of the statutes is amended to read:

21            71.07 (2dx) (c) *Credit precluded.* If the certification of a person for tax benefits  
22            under s. 560.765 (3), 560.797 (4) ~~or~~, 560.798 (3), or 560.799 (K) is revoked, or if the <sup>(4)</sup>  
23            person becomes ineligible for tax benefits under s. 560.795 (3), that person may not

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

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27  
 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109.

8 ~~SECTION 10.~~ 71.07 (2dx) (d) of the statutes is amended to read:

9 71.07 (2dx) (d) *Carry-over precluded.* If a person who is entitled under s.  
 10 560.795 (3) to claim tax benefits or certified under s. 560.765 (3), 560.797 (4) or,  
 11 560.798 (3), or 560.799 (K) for tax benefits ceases business operations in the  
 12 development zone during any of the taxable years that that zone exists, that person  
 13 may not carry over to any taxable year following the year during which operations  
 14 cease any unused credits from the taxable year during which operations cease or  
 15 from previous taxable years.

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27  
 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109.

16 ~~SECTION 11.~~ 71.26 (1) (g) of the statutes is created to read:

17 71.26 (1) (g) *Business income in an airport development zone.* Income of a  
 18 person's business that is located in an airport development zone in an amount equal  
 19 to the income derived from the person's business activities in the airport  
 20 development zone in the taxable year, minus the income derived from the person's  
 21 business activities in the area that was designated an airport development zone in  
 22 the taxable year immediately preceding the taxable year in which the area was  
 23 designated an airport development zone under s. 560.799 (K).

1           **SECTION 12.** 71.28 (1dm) (a) 1. of the statutes is amended to read:

2           71.28 (1dm) (a) 1. "Certified" means entitled under s. 560.795 (3) (a) 4. to claim  
3           tax benefits or certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (K). (4)

History: 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16.

4           **SECTION 13.** 71.28 (1dm) (a) 3. of the statutes is amended to read:

5           71.28 (1dm) (a) 3. "Development zone" means a development opportunity zone  
6           under s. 560.795 (1) (e) and (f) or 560.798, or an airport development zone under s.  
7           560.799.

History: 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16.

8           **SECTION 14.** 71.28 (1dm) (f) 1. of the statutes is amended to read:

9           71.28 (1dm) (f) 1. A copy of a verification from the department of commerce that  
10           the claimant may claim tax benefits under s. 560.795 (3) (a) 4. or is certified under  
11           s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (K). (4)

History: 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16.

12           **SECTION 15.** 71.28 (1dm) (j) of the statutes is amended to read:

13           71.28 (1dm) (j) If a person who is entitled under s. 560.795 (3) (a) 4. to claim  
14           tax benefits becomes ineligible for such tax benefits, or if a person's certification  
15           under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (K) is revoked, that person may claim  
16           no credits under this subsection for the taxable year that includes the day on which  
17           the person becomes ineligible for tax benefits, the taxable year that includes the day  
18           on which the certification is revoked, or succeeding taxable years, and that person  
19           may carry over no unused credits from previous years to offset tax under this chapter  
20           for the taxable year that includes the day on which the person becomes ineligible for  
21           tax benefits, the taxable year that includes the day on which the certification is  
22           revoked, or succeeding taxable years.

History: 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16.

1           **SECTION 16.** 71.28 (1dm) (k) of the statutes is amended to read:

2           71.28 (1dm) (k) If a person who is entitled under s. 560.795 (3) (a) 4. to claim  
3 tax benefits or certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (X) ceases (4)  
4 business operations in the development zone during any of the taxable years that  
5 that zone exists, that person may not carry over to any taxable year following the  
6 year during which operations cease any unused credits from the taxable year during  
7 which operations cease or from previous taxable years.

History: 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16.

8           **SECTION 17.** 71.28 (1dx) (a) 2. of the statutes is amended to read:

9           71.28 (1dx) (a) 2. "Development zone" means a development zone under s.  
10 560.70, a development opportunity zone under s. 560.795, an enterprise  
11 development zone under s. 560.797, ~~or~~ an agricultural development zone under s.  
12 560.798, or an airport development zone under s. 560.799.

History: 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16.

13           **SECTION 18.** 71.28 (1dx) (b) (intro.) of the statutes is amended to read:

14           71.28 (1dx) (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),  
17 560.797 (4) ~~or~~, 560.798 (3), or 560.799 (X), any person may claim as a credit against  
18 taxes imposed on the person's income from the person's business activities in a  
19 development zone under this subchapter the following amounts:

History: 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16.

20           **SECTION 19.** 71.28 (1dx) (c) of the statutes is amended to read:

21           71.28 (1dx) (c) *Credit precluded.* If the certification of a person for tax benefits  
22 under s. 560.765 (3), 560.797 (4) ~~or~~, 560.798 (3), or 560.799 (X) is revoked, or if the  
23 person becomes ineligible for tax benefits under s. 560.795 (3), that person may not

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

History: 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16.

8 ~~SECTION 20.~~ 71.28 (1dx) (d) of the statutes is amended to read:

9 71.28 (1dx) (d) *Carry-over precluded.* If a person who is entitled under s.  
10 560.795 (3) to claim tax benefits or certified under s. 560.765 (3), 560.797 (4) or,  
11 560.798 (3), or 560.799 (4) for tax benefits ceases business operations in the  
12 development zone during any of the taxable years that that zone exists, that person  
13 may not carry over to any taxable year following the year during which operations  
14 cease any unused credits from the taxable year during which operations cease or  
15 from previous taxable years.

History: 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16.

16 ~~SECTION 21. 71.45 (1) of the statutes is renumbered 71.45 (1) (a) (intro.) and~~  
17 ~~amended to read:~~

18 71.45 (1) EXEMPT AND EXCLUDABLE INCOME. (a) (intro.) There shall be exempt  
19 from taxation under this subchapter the income of insurers all of the following:

20 1. Insurers exempt from federal income taxation pursuant to section 501 (c) (15)  
21 of the internal revenue code, ~~town.~~

22 2. Town mutuals organized under or subject to ch. 612, foreign insurers, and  
23 domestic insurers engaged exclusively in life insurance business, ~~domestic.~~

1           3. Domestic insurers insuring against financial loss by reason of nonpayment  
2 of principal, interest and other sums agreed to be paid under the terms of any note  
3 or bond or other evidence of indebtedness secured by a mortgage, deed of trust or  
4 other instrument constituting a lien or charge on real estate ~~and corporations.~~

5           4. Corporations organized under ch. 185, but not including income of  
6 cooperative sickness care associations organized under s. 185.981, or of a service  
7 insurance corporation organized under ch. 613, that is derived from a health  
8 maintenance organization as defined in s. 609.01 (2) or a limited service health  
9 organization as defined in s. 609.01 (3), or operating under subch. I of ch. 616 which  
10 are bona fide cooperatives operated without pecuniary profit to any shareholder or  
11 member, or operated on a cooperative plan pursuant to which they determine and  
12 distribute their proceeds in substantial compliance with s. 185.45. ~~This subsection~~

13           5. Insurers located in an airport development zone, except that the income  
14 exempt under this subdivision is limited to an amount equal to the income derived  
15 from the insurer's business activities in the airport development zone in the taxable  
16 year, minus the income derived from the insurer's business activities in the area that  
17 was designated an airport development zone in the taxable year immediately  
18 preceding the taxable year in which the area was designated an airport development  
19 zone under s. 560.799 (K). (2)

20           (b) Paragraph (a) does not apply to income that is realized from the sale of or  
21 purchase and subsequent sale or redemption of lottery prizes if the winning tickets  
22 were originally bought in this state.

History: 1987 a. 312; 1989 a. 31, 336, 359; 1991 a. 37, 39, 269; 1993 a. 16, 112, 263, 437; 1995 a. 27, 56, 371, 380; 1997 a. 27, 37, 237; 1999 a. 9, 65; 1999 a. 150 s. 672; 1999 a. 167, 194; 2001 a. 16, 38, 109; 2008 a. 37.

23           SECTION 21. 71.47 (1dm) (a) 1. of the statutes is amended to read:

1 71.47 (1dm) (a) 1. "Certified" means entitled under s. 560.795 (3) (a) 4. to claim  
2 tax benefits or certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (K). (4)

History: 1987 a. 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16.

3 ~~SECTION 23.~~ 71.47 (1dm) (a) 3. of the statutes is amended to read:

4 71.47 (1dm) (a) 3. "Development zone" means a development opportunity zone  
5 under s. 560.795 (1) (e) and (f) or 560.798, or an airport development zone under s.  
6 560.799.

History: 1987 a. 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16.

7 ~~SECTION 24.~~ 71.47 (1dm) (f) 1. of the statutes is amended to read:

8 71.47 (1dm) (f) 1. A copy of a verification from the department of commerce that  
9 the claimant may claim tax benefits under s. 560.795 (3) (a) 4. or is certified under  
10 s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (K). (4)

History: 1987 a. 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16.

11 ~~SECTION 25.~~ 71.47 (1dm) (j) of the statutes is amended to read:

12 71.47 (1dm) (j) If a person who is entitled under s. 560.795 (3) (a) 4. to claim  
13 tax benefits becomes ineligible for such tax benefits, or if a person's certification  
14 under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (K) is revoked, that person may claim  
15 no credits under this subsection for the taxable year that includes the day on which  
16 the person becomes ineligible for tax benefits, the taxable year that includes the day  
17 on which the certification is revoked, or succeeding taxable years, and that person  
18 may carry over no unused credits from previous years to offset tax under this chapter  
19 for the taxable year that includes the day on which the person becomes ineligible for  
20 tax benefits, the taxable year that includes the day on which the certification is  
21 revoked, or succeeding taxable years.

History: 1987 a. 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16.

22 ~~SECTION 26.~~ 71.47 (1dm) (k) of the statutes is amended to read:

1           71.47 (1dm) (k) If a person who is entitled under s. 560.795 (3) (a) 4. to claim  
 2 tax benefits or certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (X) ceases <sup>4</sup>  
 3 business operations in the development zone during any of the taxable years that  
 4 that zone exists, that person may not carry over to any taxable year following the  
 5 year during which operations cease any unused credits from the taxable year during  
 6 which operations cease or from previous taxable years.

History: 1987 a. 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16.

7           **SECTION 27.** 71.47 (1dx) (a) 2. of the statutes is amended to read:

8           71.47 (1dx) (a) 2. "Development zone" means a development zone under s.  
 9 560.70, a development opportunity zone under s. 560.795 or an enterprise  
 10 development zone under s. 560.797, ~~or~~ an agricultural development zone under s.  
 11 560.798, or an airport development zone under s. 560.799.

History: 1987 a. 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16.

12           **SECTION 28.** 71.47 (1dx) (b) (intro.) of the statutes is amended to read:

13           71.47 (1dx) (b) *Credit.* (intro.) Except or 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),  
 16 560.797 (4) ~~or~~, 560.798 (3), or 560.799 (X), any person may claim as a credit against  
 17 taxes imposed on the person's income from the person's business activities in a  
 18 development zone under this subchapter the following amounts:

History: 1987 a. 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16.

19           **SECTION 29.** 71.47 (1dx) (c) of the statutes is amended to read:

20           71.47 (1dx) (c) *Credit precluded.* If the certification of a person for tax benefits  
 21 under s. 560.765 (3), 560.797 (4) ~~or~~, 560.798 (3), or 560.799 (X) is revoked, or if the  
 22 person becomes ineligible for tax benefits under s. 560.795 (3), that person may not  
 23 claim credits under this subsection for the taxable year that includes the day on

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

History: 1987 a. 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16.

7 ~~SECTION 30.~~ 71.47 (1dx) (d) of the statutes is amended to read:

8 71.47 (1dx) (d) *Carry-over precluded.* If a person who is entitled under s.  
 9 560.795 (3) to claim tax benefits or certified under s. 560.765 (3), 560.797 (4) or,  
 10 560.798 (3), or 560.799 (X) for tax benefits ceases business operations in the  
 11 development zone during any of the taxable years that that zone exists; that person  
 12 may not carry over to any taxable year following the year during which operations  
 13 cease any unused credits from the taxable year during which operations cease or  
 14 from previous taxable years.

*DNS  
11-14*

History: 1987 a. 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16.

15 ~~SECTION 31.~~ 560.799 of the statutes is created to read:

16 **560.799 Airport development zones. (1) DEFINITIONS.** In this section:

- 17 (a) "Airport development project" means the construction or expansion of an
- 18 airport in this state.
- 19 (b) "Full-time job" has the meaning given in s. 560.70 (2m).
- 20 (c) "Target population" has the meaning given in s. 560.70 (6).
- 21 (d) "Tax benefits" has the meaning given in s. 560.70 (7).

1           (2) DESIGNATION OF AN AIRPORT DEVELOPMENT ZONE. (a) Subject to par. (c), the  
2 department may designate an area as an airport development zone if the department  
3 determines all of the following:

4           1. That an airport development project is desired for the area, as evidenced by  
5 a resolution of the governing body of each city, village, and town in which territory  
6 of the airport development zone will be located.

7           2. That the airport development project serves a public purpose.

8           3. That the airport development project will likely retain or increase  
9 employment in the state.

10          4. That the airport development project is not likely to occur or continue  
11 without the department's designation of the area as an airport development zone.

12          5. That the airport development project will likely positively affect the area.

13          (b) In making a determination under par. (a), the department shall consider all  
14 of the following:

15          1. The extent of poverty, unemployment, or other factors contributing to general  
16 economic hardship in the area.

17          2. The prospects for new investment and economic development in the area.

18          3. The amount of investment that is likely to result from the airport  
19 development project.

20          4. The number of full-time jobs that are likely to be created as a result of the  
21 airport development project.

22          5. The number of full-time jobs that are likely to be available to the target  
23 population as a result of the project.

24          6. The competitive effect of designating the area as an airport development  
25 zone on other businesses in the area.

1           7. The needs of other areas of the state.

2           8. Any other factors that the department considers relevant.

3           (c) The department may not designate as an airport development zone, or as  
4 any part of an airport development zone, an area that is located within the  
5 boundaries of an area that is designated as a development zone under s. 560.71, as  
6 a development opportunity zone under s. 560.795, or as an enterprise development  
7 zone under s. 560.797.

8           (3) DURATION OF DESIGNATION; LIMITS ON TAX BENEFITS. (a) When the department  
9 designates an area as an airport development zone, the department shall specify the  
10 length of time, not to exceed 84 months, that the designation is effective, subject to  
11 par. (d). The department shall notify each person certified for tax benefits in an  
12 airport development zone, the department of revenue, the Wisconsin Housing and  
13 Economic Development Authority, and the governing body of each city, village, town,  
14 and federally recognized American Indian tribe or band in which territory of the  
15 airport development zone is located of the designation of and expiration date of the  
16 airport development zone.

17           (b) When the department designates an area as an airport development zone,  
18 the department shall establish a limit, not to exceed \$3,000,000, for tax benefits  
19 applicable to the airport development zone.

20           (c) Annually, the department shall estimate the amount of forgone state  
21 revenue because of tax benefits claimed by persons in each airport development zone.

22           (d) 1. Notwithstanding the length of time specified by the department under  
23 par. (a), the designation of an area as an airport development zone shall expire 90  
24 days after the day on which the department determines that the forgone tax

1 revenues estimated under par. (c) will equal or exceed the limit established for the  
2 airport development zone.

3 2. The department shall immediately notify each person certified for tax  
4 benefits in an airport development zone, the department of revenue, the Wisconsin  
5 Housing and Economic Development Authority, and the governing body of each city,  
6 village, town, and federally recognized American Indian tribe or band in which  
7 territory of the airport development zone is located of a change in the expiration date  
8 of the airport development zone under this paragraph.

9 (4) CERTIFICATION FOR ~~TAX~~<sup>TAX</sup> BENEFITS. (a) A person that intends to operate a place  
10 of business in an airport development zone may submit to the department an  
11 application and a business plan. The business plan shall include all of the following:

12 1. The name and address of the person's business for which tax benefits will be  
13 claimed.

14 2. The appropriate Wisconsin tax identification number of the person.

15 3. The names and addresses of other locations outside of the airport  
16 development zone where the person conducts business and a description of the  
17 business activities conducted at those locations.

18 4. The amount that the person proposes to invest in the place of business or to  
19 spend on the construction, rehabilitation, repair, or remodeling of a building in the  
20 airport development zone.

21 5. The estimated total investment of the person in the airport development  
22 zone.

23 6. The estimated number of full-time jobs that will be created, retained, or  
24 substantially upgraded as a result of the person's place of business in the airport  
25 development zone in relation to the amount of tax benefits estimated for the person.

1 7. The person's plans to make reasonable attempts to hire employees from the  
2 target population.

3 8. The estimated number of full-time jobs that will be filled by members of the  
4 target population.

5 10. Any other information required by the department or the department of  
6 revenue. *(designations of the applicable airport development zone expires or if*

7 (b) If the department approves a business plan under par. (a), the department  
8 shall certify the person as eligible for tax benefits. The department shall notify the  
9 department of revenue within 30 days of certifying a person under this paragraph.

10 (c) The department shall revoke a person's certification under par. (b) *when* if the  
11 *the* person does any of the following:

- 12 1. Supplies false or misleading information to obtain the tax benefits.
- 13 2. Leaves the airport development zone to conduct substantially the same  
14 business outside of the airport development zone.
- 15 3. Ceases operations in the airport development zone and does not renew  
16 operation of the business or a similar business in the airport development zone  
17 within 12 months.

18 (d) The department shall notify the department of revenue within 30 days after  
19 revoking a certification under par. (c).

20 (e) The tax benefits for which a person is certified as eligible under par. (b) are  
21 not transferable to another person, business, or location, except to the extent  
22 permitted under section 383 of the internal revenue code.

23 (5) VERIFICATION OF INFORMATION. The department annually shall verify  
24 information submitted to the department under ~~§~~ 71.07(2dx), 71.28(1dx), ~~or~~ 71.47

25 *(1dx) and (1dm) and as it relates to airport development zones*  
*ss. (2dm) and (1dm) and*

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~~32~~ SECTION 32. Initial applicability.

(1) The treatment of sections 71.07 (2dm) (a) 1. and 3., (f) 1., (j), and (k), and (2dx) (a) 2., (b) (intro.), (c), and (d), 71.28 (1dm) (a) 1. and 3., (f) 1., (j), and (k), and (1dx) (a) 2., (b) (intro.), (c), and (d), and 71.47 (1dm) (a) 1. and 3., (f) 1., (j), and (k), and (1dx) (a) 2., (b) (intro.), (c), and (d) of the statutes first applies to taxable years beginning on January 1, 2005.

(END)

D - Note

2003 BILL

INSERT

INSERT

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AN ACT to amend 234.03 (2m), 234.03 (11), 234.08 (1), 234.265 (2), 234.40 (4), 234.50 (4), 234.60 (2), 234.61 (1) and 234.66 (3) (b); and to create 234.63 of the statutes, relating to: establishing a program in the Wisconsin Housing and Economic Development Authority to provide loans for <sup>airport developments</sup> ~~business expansion~~ in <sup>airport development zones</sup> ~~this state~~ and providing for the issuance of bonds to fund the program.

Airport Development Zone Loan Program

Analysis by the Legislative Reference Bureau

The bill establishes a ~~capital investment~~ loan program to be known as the ~~Wisconsin Capital Investment Fund.~~ Under the program, the Wisconsin Housing and Economic Development Authority (WHEDA) is authorized to award loans to a ~~manufacturing~~ business, agricultural business, or business that is part of the ~~tourism industry~~ for the purpose of financing a major capital expenditure by the business. A business is eligible to receive a loan only if the business is headquartered in this state; the business commits to move its headquarters to this state within a reasonable period of time following receipt of the loan; a significant portion of the business's employees perform work in this state; or the business commits to have a significant portion of its employees perform work in this state within a reasonable period of time following receipt of the loan. Under the bill, a loan's interest rate must be determined with reference to the amount required to repay the principal and interest of the bonds described below, plus the cost of issuing the bonds.

The bill provides that the program is to be funded from the proceeds of bonds issued by WHEDA in an aggregate principal amount of up to \$200,000,000. The debt

the reconstruction or expansion of an airport in an airport development zone.

INSERT ANALYSIS B



**BILL**

service on the bonds, as well as all costs associated with the issuance of the bonds, is to be paid by the businesses granted the loans under the program.

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

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

*INS 11-14*

1 SECTION ~~1~~ 234.03 (2m) of the statutes is amended to read:

2 234.03 (2m) To issue notes and bonds in accordance with ss. 234.08, 234.40,  
3 234.50, 234.60, 234.61, 234.626, 234.63, 234.65, and 234.66.

*airport development*

4 SECTION ~~2~~ 234.03 (11) of the statutes is amended to read:

5 234.03 (11) To collect fees and charges on mortgage loans and economic  
6 development loans and ~~capital investment~~ loans under s. 234.63 for the purpose of  
7 paying all or a portion of authority costs as the authority determines (3) are reasonable  
8 and as approved by the authority.

9 SECTION ~~3~~ 234.08 (1) of the statutes is amended to read:

10 234.08 (1) The authority may issue its negotiable notes and bonds in such  
11 principal amount, as, in the opinion of the authority, is necessary to provide sufficient  
12 funds for achieving its corporate purposes, including the purchase of certain  
13 mortgages and securities and the making of secured loans for low- and  
14 moderate-income housing, for the rehabilitation of existing structures and for the  
15 construction of facilities appurtenant thereto as provided in this chapter; for the  
16 making of secured loans to assist eligible elderly homeowners in paying property  
17 taxes and special assessments; for the payment of interest on notes and bonds of the  
18 authority during construction; (3) for the awarding of ~~capital investment~~ loans under  
19 s. 234.63; for the establishment of reserves to secure such notes and bonds; for the  
20 provision of moneys for the housing development fund in order to make temporary

**BILL**

1 loans to sponsors of housing projects as provided in this chapter; and for all other  
2 expenditures of the authority incident to and necessary or convenient to carry out its  
3 corporate purposes and powers.

4 SECTION ~~4~~ 234.265 (2) of the statutes is amended to read:

5 234.265 (2) Records or portions of records consisting of personal or financial  
6 information provided by a person seeking a grant or loan under s. 234.08, 234.49,  
7 234.59, 234.61, 234.63, 234.65, 234.67, 234.83, 234.84, 234.90, 234.905, 234.907, or  
8 234.91, seeking a loan under ss. 234.621 to 234.626, seeking financial assistance  
9 under s. 234.66, seeking investment of funds under s. 234.03 (18m) or in which the  
10 authority has invested funds under s. 234.03 (18m), unless the person consents to  
11 disclosure of the information.

12 SECTION ~~5~~ 234.40 (4) of the statutes is amended to read:

13 234.40 (4) The limitations established in ss. 234.18 (1), 234.50, 234.60, 234.61,  
14 234.63, 234.65, and 234.66 are not applicable to bonds issued under the authority of  
15 this section. The authority may not have outstanding at any one time bonds for  
16 veterans housing loans in an aggregate principal amount exceeding \$61,945,000,  
17 excluding bonds being issued to refund outstanding bonds.

18 SECTION ~~6~~ 234.50 (4) of the statutes is amended to read:

19 234.50 (4) The limitations established in ss. 234.18 (1), 234.40, 234.60, 234.61,  
20 234.63, 234.65, and 234.66 are not applicable to bonds issued under the authority of  
21 this section. The authority may not have outstanding at any one time bonds for  
22 housing rehabilitation loans in an aggregate principal amount exceeding  
23 \$100,000,000, excluding bonds being issued to refund outstanding bonds. The  
24 authority shall consult with and coordinate the issuance of bonds with the building  
25 commission prior to the issuance of bonds.

BILL

SECTION ~~8~~ 234.60 (2) of the statutes is amended to read:

234.60 (2) The limitations in ss. 234.18 (1), 234.40, 234.50, 234.61, 234.63, 234.65, and 234.66 do not apply to bonds or notes issued under this section.

SECTION ~~8~~ 234.61 (1) of the statutes is amended to read:

234.61 (1) Upon the authorization of the department of health and family services, the authority may issue bonds or notes and make loans for the financing of housing projects which are residential facilities as defined in s. 46.28 (1) (d) and the development costs of those housing projects, if the department of health and family services has approved the residential facilities for financing under s. 46.28 (2). The limitations in ss. 234.18 (1), 234.40, 234.50, 234.60, 234.63, 234.65, and 234.66 do not apply to bonds or notes issued under this section. The definition of "nonprofit corporation" in s. 234.01 (9) does not apply to this section.

SECTION ~~9~~ 234.63 of the statutes is created to read:

*Airport development zone (S) loan program*

~~234.63 Wisconsin capital investment fund~~ (1) There is established a ~~capital investment loan program~~ to be known as the "Wisconsin ~~Capital Investment Fund~~" *Program*

*Airport Development Zone Loan*

(2) (a) For the purpose of awarding ~~capital investment~~ loans under sub. (3), the authority may issue bonds in an aggregate principal amount not to exceed \$200,000,000, excluding bonds issued to refund outstanding bonds issued under this paragraph. Bonds issued under this paragraph shall be special obligations of the authority payable solely out of revenues received in connection with the ~~capital investment~~ *(under sub. (1))* loan program, including specifically repayments of the loans awarded under sub. (3) and the proceeds of bonds issued under this paragraph. All assets and liabilities created through the issuance of bonds under this paragraph shall be separate from all other assets and liabilities of the authority.

**BILL**

*The construction or expansion of an airport in an airport development zone established under s. 560.799.*

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(b) The limits in ss. 234.18 (1), 234.40, 234.50, 234.60, 234.61, 234.65, and 234.66 do not apply to bonds issued under par. (a).

(c) The authority shall employ the building commission as its financial consultant to assist and coordinate the issuance of bonds under par. (a).

(3) (a) The authority may award a loan to a ~~manufacturing~~ <sup>agricultural</sup> business, or a business that is part of the ~~tourism industry~~ <sup>tourism industry</sup> for the purpose of financing ~~a major capital expenditure by the business.~~ A business is

eligible to receive a loan under this paragraph only if the business satisfies any of the following criteria:

1. The business is headquartered in this state or commits to move its headquarters to this state within a reasonable period of time following receipt of the loan.
2. A significant portion of the business's employees perform work in this state.
3. The business commits to have a significant portion of its employees perform work in this state within a reasonable period of time following receipt of the loan.

(b) The authority shall charge a rate of interest for each loan awarded under par. (a) that reasonably approximates that portion of the amount required to repay the principal and interest of the bonds issued under par. (a), plus the cost of issuing the bonds, that is allocable to the loan.

~~SECTION 10.~~ <sup>#</sup> 234.66 (3) (b) of the statutes is amended to read:

234.66 (3) (b) The limits in ss. 234.18 (1), 234.40, 234.50, 234.60, 234.61, 234.63, and 234.65 do not apply to bonds or notes issued under this section.

(END)

*Low m*

INSERT ANALYSIS A

This bill creates an airport development zone program which awards income and franchise tax credits to certain businesses that locate in areas designated as airport development zones. The bill also creates an airport development zone loan program which awards loans to finance the construction or expansion of airports in airport development zones. Significant provisions include:

***Designation of airport development zones***

Under the bill, the department of commerce (department) may designate an area in this state as an airport development zone if the department determines all of the following: X

1. That a project to construct or expand an airport within the area is desired by the governing body of each city, village, and town in which territory of the airport development zone will be located. ~~XXXXXX~~
2. That the airport development project serves a public purpose.
3. That the airport development project will likely retain or increase employment in the state.
4. That the airport development project is not likely to occur or continue without the department's designation of the area as an airport development zone.

5. That the airport development project will likely positively affect the area.

In addition, the bill requires the department to consider all of the following in making a decision concerning a designation as an airport development zone:

1. The extent of poverty, unemployment, or other factors contributing to general economic hardship in the area. X
2. The prospects for new investment and economic development in the area.
3. The amount of investment that is likely to result from the airport development project.
4. The number of full-time jobs that are likely to be created as a result of the airport development project.
5. The number of full-time jobs that are likely to be available to the target population as a result of the project.
6. The competitive effect of designating the area as an airport development zone on other businesses in the area.
7. The needs of other areas of the state.
8. Any other factors that the department considers relevant.

Under the bill, the department may not designate as an airport development zone, or as any part of an airport development zone, an area that is located within the boundaries of an area that is designated as a development zone, development opportunity zone, or enterprise development zone under current law.

The bill requires the department to specify the length of time, not to exceed 84 months, that a designation is effective and requires the department to establish a limit, not to exceed \$3,000,000, for tax credits applicable to each airport development zone. In addition, the department must annually estimate the amount of forgone state revenue because of tax credits claimed by persons in each airport development zone. The designation of an area as an airport development zone expires before the

date initially set by the department, if the department determines that the forgone tax revenues will equal or exceed the limit on tax credits established for the airport development zone.

**Certification for tax credits**

The bill allows a person that intends to operate a place of business in an airport development zone to apply to the department for tax credits. The application must specify all of the following:

1. The name and address of the person's business for which tax credits will be claimed.
2. The appropriate Wisconsin tax identification number of the person.
3. The names and addresses of other locations outside of the airport development zone where the person conducts business and a description of the business activities conducted at those locations.
4. The amount that the person proposes to invest in the place of business or to spend on the construction, rehabilitation, repair, or remodeling of a building in the airport development zone.
5. The estimated total investment of the person in the airport development zone.
6. The estimated number of full-time jobs that will be created, retained, or substantially upgraded as a result of the person's place of business in the airport development zone in relation to the amount of tax credits estimated for the person. X
7. The person's plans to make reasonable attempts to hire employees from a specified target population.
8. The estimated number of full-time jobs that will be filled by members of the target population.
9. Any other information required by the department or the department of revenue. X

The bill requires the department to revoke a person's certification if the designation of the applicable airport development zone expires. In addition, a person's certification must be revoked if the person supplied false or misleading information to obtain the tax credits; leaves the airport development zone to conduct substantially the same business outside of the airport development zone; or ceases operations in the airport development zone and does not renew operation of the business or a similar business in the airport development zone within 12 months.

**Tax credits**

A person who is certified to claim tax credits based on the person's business activities in an airport development zone may claim ~~the~~ the development zone's capital investment credit under current law. The amount of that credit is equal to 3 percent of the purchase price of depreciable, tangible personal property or the 3 percent of the amount expended to acquire, construct, rehabilitate, remodel, or repair real property that is located in the development zone. In addition, the person may claim a development zone's credit under current law based on the number of full-time jobs created in the airport development zone. X

**Airport development zone loan program**

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DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-3761/P1dn  
JK&RJM/...

*Gj*

Date

Indiana

Senator Roessler:

*Indiana*

Attached is a <sup>(A)</sup>airport development zone draft for your review. This draft is based conceptually on the ~~Illinois~~ statutes you provided to us. However, to fit this concept into Wisconsin law, we had to make some extensive changes. The details and structure of much of the program are modelled after the current enterprise development zone program. In addition, this draft provides bonding for loans to airport developers (by contrast, the ~~Illinois~~ law provides bonding for the costs of airport development, backed by tax revenues from a special purpose taxing district). Please review the draft carefully and let us know if you desire any changes.

*Indiana*  
*Indiana*

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

LRB-3761/P1dn  
JK&RJM:kjf:jf

December 18, 2003

Senator Roessler:

Attached is an airport development zone draft for your review. This draft is based conceptually on the Indiana statutes you provided to us. However, to fit this concept into Wisconsin law, we had to make some extensive changes. The details and structure of much of the program are modelled after the current enterprise development zone program. In addition, this draft provides bonding for loans to airport developers (by contrast, the Indiana law provides bonding for the costs of airport development, backed by tax revenues from a special purpose taxing district). Please review the draft carefully and let us know if you desire any changes.

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State of Wisconsin  
2003 - 2004 LEGISLATURE

LRB-3761/P1

JK&RJM:kjf

RMR

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

Rezen

no changes  
to the draft

mm Today

1 AN ACT *to amend* 71.07 (2dm) (a) 1., 71.07 (2dm) (a) 3., 71.07 (2dm) (f) 1., 71.07  
2 (2dm) (j), 71.07 (2dm) (k), 71.07 (2dx) (a) 2., 71.07 (2dx) (b) (intro.), 71.07 (2dx)  
3 (c), 71.07 (2dx) (d), 71.28 (1dm) (a) 1., 71.28 (1dm) (a) 3., 71.28 (1dm) (f) 1., 71.28  
4 (1dm) (j), 71.28 (1dm) (k), 71.28 (1dx) (a) 2., 71.28 (1dx) (b) (intro.), 71.28 (1dx)  
5 (c), 71.28 (1dx) (d), 71.47 (1dm) (a) 1., 71.47 (1dm) (a) 3., 71.47 (1dm) (f) 1., 71.47  
6 (1dm) (j), 71.47 (1dm) (k), 71.47 (1dx) (a) 2., 71.47 (1dx) (b) (intro.), 71.47 (1dx)  
7 (c), 71.47 (1dx) (d), 234.03 (2m), 234.03 (11), 234.08 (1), 234.265 (2), 234.40 (4),  
8 234.50 (4), 234.60 (2), 234.61 (1) and 234.66 (3) (b); and *to create* 234.63 and  
9 560.799 of the statutes; **relating to:** creating income and franchise tax credits  
10 for businesses located in an airport development zone and a loan program for  
11 certain construction projects in an airport development zone.

***Analysis by the Legislative Reference Bureau***

This bill creates an airport development zone program which awards income and franchise tax credits to certain businesses that locate in areas designated as airport development zones. The bill also creates an airport development zone loan program which awards loans to finance the construction or expansion of airports in airport development zones. Significant provisions include:

### ***Designation of airport development zones***

Under the bill, the Department of Commerce (department) may designate an area in this state as an airport development zone if the department determines all of the following:

1. That a project to construct or expand an airport within the area is desired by the governing body of each city, village, and town in which territory of the airport development zone will be located.
2. That the airport development project serves a public purpose.
3. That the airport development project will likely retain or increase employment in the state.
4. That the airport development project is not likely to occur or continue without the department's designation of the area as an airport development zone.
5. That the airport development project will likely positively affect the area.

In addition, the bill requires the department to consider all of the following in making a decision concerning a designation as an airport development zone:

1. The extent of poverty, unemployment, or other factors contributing to general economic hardship in the area.
2. The prospects for new investment and economic development in the area.
3. The amount of investment that is likely to result from the airport development project.
4. The number of full-time jobs that are likely to be created as a result of the airport development project.
5. The number of full-time jobs that are likely to be available to the target population as a result of the project.
6. The competitive effect of designating the area as an airport development zone on other businesses in the area.
7. The needs of other areas of the state.
8. Any other factors that the department considers relevant.

Under the bill, the department may not designate as an airport development zone, or as any part of an airport development zone, an area that is located within the boundaries of an area that is designated as a development zone, development opportunity zone, or enterprise development zone under current law.

The bill requires the department to specify the length of time, not to exceed 84 months, that a designation is effective and requires the department to establish a limit, not to exceed \$3,000,000, for tax credits applicable to each airport development zone. In addition, the department must annually estimate the amount of forgone state revenue because of tax credits claimed by persons in each airport development zone. The designation of an area as an airport development zone expires before the date initially set by the department, if the department determines that the forgone tax revenues will equal or exceed the limit on tax credits established for the airport development zone.

### ***Certification for tax credits***

The bill allows a person that intends to operate a place of business in an airport development zone to apply to the department for tax credits. The application must specify all of the following:

The bill provides that the program is to be funded from the proceeds of bonds issued by WHEDA in an aggregate principal amount of up to \$200,000,000. The debt service on the bonds, as well as all costs associated with the issuance of the bonds, is to be paid by the businesses granted the loans under the program.

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

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

1           ✓  
SECTION 1. 71.07 (2dm) (a) 1. of the statutes is amended to read:

2           71.07 (2dm) (a) 1. “Certified” means entitled under s. 560.795 (3) (a) 4. to claim  
3 tax benefits or certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4).

4           ✓  
SECTION 2. 71.07 (2dm) (a) 3. of the statutes is amended to read:

5           71.07 (2dm) (a) 3. “Development zone” means a development opportunity zone  
6 under s. 560.795 (1) (e) and (f) or 560.798, or an airport development zone under s.  
7 560.799.

8           ✓  
SECTION 3. 71.07 (2dm) (f) 1. of the statutes is amended to read:

9           71.07 (2dm) (f) 1. A copy of a verification from the department of commerce that  
10 the claimant may claim tax benefits under s. 560.795 (3) (a) 4. or is certified under  
11 s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4).

12           ✓  
SECTION 4. 71.07 (2dm) (j) of the statutes is amended to read:

13           71.07 (2dm) (j) If a person who is entitled under s. 560.795 (3) (a) 4. to claim  
14 tax benefits becomes ineligible for such tax benefits, or if a person’s certification  
15 under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4) is revoked, that person may claim  
16 no credits under this subsection for the taxable year that includes the day on which  
17 the person becomes ineligible for tax benefits, the taxable year that includes the day  
18 on which the certification is revoked, or succeeding taxable years, and that person  
19 may carry over no unused credits from previous years to offset tax under this chapter

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

4 **SECTION 5.** 71.07 (2<sup>✓</sup>dm) (k) of the statutes is amended to read:

5 71.07 (2<sup>✓</sup>dm) (k) If a person who is entitled under s. 560.795 (3) (a) 4. to claim  
6 tax benefits or certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4) ceases  
7 business operations in the development zone during any of the taxable years that  
8 that zone exists, that person may not carry over to any taxable year following the  
9 year during which operations cease any unused credits from the taxable year during  
10 which operations cease or from previous taxable years.

11 **SECTION 6.** 71.07 (2<sup>✓</sup>dx) (a) 2. of the statutes is amended to read:

12 71.07 (2<sup>✓</sup>dx) (a) 2. “Development zone” means a development zone under s.  
13 560.70, a development opportunity zone under s. 560.795, an enterprise  
14 development zone under s. 560.797, ~~or~~ an agricultural development zone under s.  
15 560.798, or an airport development zone under s. 560.799.

16 **SECTION 7.** 71.07 (2<sup>✓</sup>dx) (b) (intro.) of the statutes is amended to read:

17 71.07 (2<sup>✓</sup>dx) (b) *Credit.* (intro.) Except as provided in pars. (be) and (bg) and  
18 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person  
19 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3),  
20 560.797 (4) ~~or~~, 560.798 (3), or 560.799 (4), any person may claim as a credit against  
21 taxes imposed on the person’s income from the person’s business activities in a  
22 development zone the following amounts:

23 **SECTION 8.** 71.07 (2<sup>✓</sup>dx) (c) of the statutes is amended to read:

24 71.07 (2<sup>✓</sup>dx) (c) *Credit precluded.* If the certification of a person for tax benefits  
25 under s. 560.765 (3), 560.797 (4) ~~or~~, 560.798 (3), or 560.799 (4) is revoked, or if the

1 person becomes ineligible for tax benefits under s. 560.795 (3), that person may not  
2 claim credits under this subsection for the taxable year that includes the day on  
3 which the certification is revoked; the taxable year that includes the day on which  
4 the person becomes ineligible for tax benefits; or succeeding taxable years and that  
5 person may not carry over unused credits from previous years to offset tax under this  
6 chapter for the taxable year that includes the day on which certification is revoked;  
7 the taxable year that includes the day on which the person becomes ineligible for tax  
8 benefits; or succeeding taxable years.

9 **SECTION 9.** 71.07 (2dx) (d) of the statutes is amended to read:

10 71.07 (2dx) (d) *Carry-over precluded.* If a person who is entitled under s.  
11 560.795 (3) to claim tax benefits or certified under s. 560.765 (3), 560.797 (4) ~~or~~,  
12 560.798 (3), or 560.799 (4) for tax benefits ceases business operations in the  
13 development zone during any of the taxable years that that zone exists, that person  
14 may not carry over to any taxable year following the year during which operations  
15 cease any unused credits from the taxable year during which operations cease or  
16 from previous taxable years.

17 **SECTION 10.** 71.28 (1dm) (a) 1. of the statutes is amended to read:

18 71.28 (1dm) (a) 1. “Certified” means entitled under s. 560.795 (3) (a) 4. to claim  
19 tax benefits or certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4).

20 **SECTION 11.** 71.28 (1dm) (a) 3. of the statutes is amended to read:

21 71.28 (1dm) (a) 3. “Development zone” means a development opportunity zone  
22 under s. 560.795 (1) (e) and (f) or 560.798, or an airport development zone under s.  
23 560.799.

24 **SECTION 12.** 71.28 (1dm) (f) 1. of the statutes is amended to read:

1           71.28 (1dm) (f) 1. A copy of a verification from the department of commerce that  
2           the claimant may claim tax benefits under s. 560.795 (3) (a) 4. or is certified under  
3           s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4).

4           **SECTION 13.** 71.28 (1dm) (j) of the statutes is amended to read:

5           71.28 (1dm) (j) If a person who is entitled under s. 560.795 (3) (a) 4. to claim  
6           tax benefits becomes ineligible for such tax benefits, or if a person's certification  
7           under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4) is revoked, that person may claim  
8           no credits under this subsection for the taxable year that includes the day on which  
9           the person becomes ineligible for tax benefits, the taxable year that includes the day  
10          on which the certification is revoked, or succeeding taxable years, and that person  
11          may carry over no unused credits from previous years to offset tax under this chapter  
12          for the taxable year that includes the day on which the person becomes ineligible for  
13          tax benefits, the taxable year that includes the day on which the certification is  
14          revoked, or succeeding taxable years.

15          **SECTION 14.** 71.28 (1dm) (k) of the statutes is amended to read:

16          71.28 (1dm) (k) If a person who is entitled under s. 560.795 (3) (a) 4. to claim  
17          tax benefits or certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4) ceases  
18          business operations in the development zone during any of the taxable years that  
19          that zone exists, that person may not carry over to any taxable year following the  
20          year during which operations cease any unused credits from the taxable year during  
21          which operations cease or from previous taxable years.

22          **SECTION 15.** 71.28 (1dx) (a) 2. of the statutes is amended to read:

23          71.28 (1dx) (a) 2. "Development zone" means a development zone under s.  
24          560.70, a development opportunity zone under s. 560.795, an enterprise

1 development zone under s. 560.797, ~~or~~ an agricultural development zone under s.  
2 560.798, or an airport development zone under s. 560.799.

3 **SECTION 16.** 71.28<sup>✓</sup> (1dx) (b) (intro.) of the statutes is amended to read:

4 71.28 (1dx) (b) *Credit.* (intro.) Except as provided in pars. (be) and (bg) and  
5 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person  
6 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3),  
7 560.797 (4) ~~or~~, 560.798 (3), or 560.799 (4), any person may claim as a credit against  
8 taxes imposed on the person's income from the person's business activities in a  
9 development zone under this subchapter the following amounts:

10 **SECTION 17.** 71.28<sup>✓</sup> (1dx) (c) of the statutes is amended to read:

11 71.28 (1dx) (c) *Credit precluded.* If the certification of a person for tax benefits  
12 under s. 560.765 (3), 560.797 (4) ~~or~~, 560.798 (3), or 560.799 (4) is revoked, or if the  
13 person becomes ineligible for tax benefits under s. 560.795 (3), that person may not  
14 claim credits under this subsection for the taxable year that includes the day on  
15 which the certification is revoked; the taxable year that includes the day on which  
16 the person becomes ineligible for tax benefits; or succeeding taxable years and that  
17 person may not carry over unused credits from previous years to offset tax under this  
18 chapter for the taxable year that includes the day on which certification is revoked;  
19 the taxable year that includes the day on which the person becomes ineligible for tax  
20 benefits; or succeeding taxable years.

21 **SECTION 18.** 71.28<sup>✓</sup> (1dx) (d) of the statutes is amended to read:

22 71.28 (1dx) (d) *Carry-over precluded.* If a person who is entitled under s.  
23 560.795 (3) to claim tax benefits or certified under s. 560.765 (3), 560.797 (4) ~~or~~,  
24 560.798 (3), or 560.799 (4) for tax benefits ceases business operations in the  
25 development zone during any of the taxable years that that zone exists, that person

1 may not carry over to any taxable year following the year during which operations  
2 cease any unused credits from the taxable year during which operations cease or  
3 from previous taxable years.

4 **SECTION 19.** 71.47 (1dm) (a) 1. of the statutes is amended to read:

5 71.47 (1dm) (a) 1. “Certified” means entitled under s. 560.795 (3) (a) 4. to claim  
6 tax benefits or certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4).

7 **SECTION 20.** 71.47 (1dm) (a) 3. of the statutes is amended to read:

8 71.47 (1dm) (a) 3. “Development zone” means a development opportunity zone  
9 under s. 560.795 (1) (e) and (f) or 560.798, or an airport development zone under s.  
10 560.799.

11 **SECTION 21.** 71.47 (1dm) (f) 1. of the statutes is amended to read:

12 71.47 (1dm) (f) 1. A copy of a verification from the department of commerce that  
13 the claimant may claim tax benefits under s. 560.795 (3) (a) 4. or is certified under  
14 s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4).

15 **SECTION 22.** 71.47 (1dm) (j) of the statutes is amended to read:

16 71.47 (1dm) (j) If a person who is entitled under s. 560.795 (3) (a) 4. to claim  
17 tax benefits becomes ineligible for such tax benefits, or if a person’s certification  
18 under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4) is revoked, that person may claim  
19 no credits under this subsection for the taxable year that includes the day on which  
20 the person becomes ineligible for tax benefits, the taxable year that includes the day  
21 on which the certification is revoked, or succeeding taxable years, and that person  
22 may carry over no unused credits from previous years to offset tax under this chapter  
23 for the taxable year that includes the day on which the person becomes ineligible for  
24 tax benefits, the taxable year that includes the day on which the certification is  
25 revoked, or succeeding taxable years.

1           **SECTION 23.** 71.47 (1dm) (k) of the statutes is amended to read:

2           71.47 (1dm) (k) If a person who is entitled under s. 560.795 (3) (a) 4. to claim  
3 tax benefits or certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4) ceases  
4 business operations in the development zone during any of the taxable years that  
5 that zone exists, that person may not carry over to any taxable year following the  
6 year during which operations cease any unused credits from the taxable year during  
7 which operations cease or from previous taxable years.

8           **SECTION 24.** 71.47 (1dx) (a) 2. of the statutes is amended to read:

9           71.47 (1dx) (a) 2. “Development zone” means a development zone under s.  
10 560.70, a development opportunity zone under s. 560.795 or an enterprise  
11 development zone under s. 560.797, ~~or~~ an agricultural development zone under s.  
12 560.798, or an airport development zone under s. 560.799.

13           **SECTION 25.** 71.47 (1dx) (b) (intro.) of the statutes is amended to read:

14           71.47 (1dx) (b) *Credit.* (intro.) Except or 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),  
17 560.797 (4) ~~or~~, 560.798 (3), or 560.799 (4), any person may claim as a credit against  
18 taxes imposed on the person’s income from the person’s business activities in a  
19 development zone under this subchapter the following amounts:

20           **SECTION 26.** 71.47 (1dx) (c) of the statutes is amended to read:

21           71.47 (1dx) (c) *Credit precluded.* If the certification of a person for tax benefits  
22 under s. 560.765 (3), 560.797 (4) ~~or~~, 560.798 (3), or 560.799 (4) is revoked, or if the  
23 person becomes ineligible for tax benefits under s. 560.795 (3), that person may not  
24 claim credits under this subsection for the taxable year that includes the day on  
25 which the certification is revoked; the taxable year that includes the day on which

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

6 **SECTION 27.** 71.47<sup>✓</sup> (1dx) (d) of the statutes is amended to read:

7 71.47 (1dx) (d) *Carry-over precluded.* If a person who is entitled under s.  
8 560.795 (3) to claim tax benefits or certified under s. 560.765 (3), 560.797 (4) or,  
9 560.798 (3), or 560.799 (4) for tax benefits ceases business operations in the  
10 development zone during any of the taxable years that that zone exists, that person  
11 may not carry over to any taxable year following the year during which operations  
12 cease any unused credits from the taxable year during which operations cease or  
13 from previous taxable years.

14 **SECTION 28.** 234.03<sup>✓</sup> (2m) of the statutes is amended to read:

15 234.03 (2m) To issue notes and bonds in accordance with ss. 234.08, 234.40,  
16 234.50, 234.60, 234.61, 234.626, 234.63, 234.65, and 234.66.

17 **SECTION 29.** 234.03<sup>✓</sup> (11) of the statutes is amended to read:

18 234.03 (11) To collect fees and charges on mortgage loans and economic  
19 development loans and airport development loans under s. 234.63 (3) for the purpose  
20 of paying all or a portion of authority costs as the authority determines are  
21 reasonable and as approved by the authority.

22 **SECTION 30.** 234.08<sup>✓</sup> (1) of the statutes is amended to read:

23 234.08 (1) The authority may issue its negotiable notes and bonds in such  
24 principal amount, as, in the opinion of the authority, is necessary to provide sufficient  
25 funds for achieving its corporate purposes, including the purchase of certain

1 mortgages and securities and the making of secured loans for low- and  
2 moderate-income housing, for the rehabilitation of existing structures and for the  
3 construction of facilities appurtenant thereto as provided in this chapter; for the  
4 making of secured loans to assist eligible elderly homeowners in paying property  
5 taxes and special assessments; for the payment of interest on notes and bonds of the  
6 authority during construction; for the awarding of airport development loans under  
7 s. 234.63 (3); for the establishment of reserves to secure such notes and bonds; for the  
8 provision of moneys for the housing development fund in order to make temporary  
9 loans to sponsors of housing projects as provided in this chapter; and for all other  
10 expenditures of the authority incident to and necessary or convenient to carry out its  
11 corporate purposes and powers.

12 **SECTION 31.** 234.265 (2) of the statutes is amended to read:

13 234.265 (2) Records or portions of records consisting of personal or financial  
14 information provided by a person seeking a grant or loan under s. 234.08, 234.49,  
15 234.59, 234.61, 234.63, 234.65, 234.67, 234.83, 234.84, 234.90, 234.905, 234.907, or  
16 234.91, seeking a loan under ss. 234.621 to 234.626, seeking financial assistance  
17 under s. 234.66, seeking investment of funds under s. 234.03 (18m) or in which the  
18 authority has invested funds under s. 234.03 (18m), unless the person consents to  
19 disclosure of the information.

20 **SECTION 32.** 234.40 (4) of the statutes is amended to read:

21 234.40 (4) The limitations established in ss. 234.18 (1), 234.50, 234.60, 234.61,  
22 234.63, 234.65, and 234.66 are not applicable to bonds issued under the authority of  
23 this section. The authority may not have outstanding at any one time bonds for  
24 veterans housing loans in an aggregate principal amount exceeding \$61,945,000,  
25 excluding bonds being issued to refund outstanding bonds.

1           **SECTION 33.** 234.50<sup>✓</sup> (4) of the statutes is amended to read:

2           234.50 (4) The limitations established in ss. 234.18 (1), 234.40, 234.60, 234.61,  
3           234.63, 234.65, and 234.66 are not applicable to bonds issued under the authority of  
4           this section. The authority may not have outstanding at any one time bonds for  
5           housing rehabilitation loans in an aggregate principal amount exceeding  
6           \$100,000,000, excluding bonds being issued to refund outstanding bonds. The  
7           authority shall consult with and coordinate the issuance of bonds with the building  
8           commission prior to the issuance of bonds.

9           **SECTION 34.** 234.60<sup>✓</sup> (2) of the statutes is amended to read:

10          234.60 (2) The limitations in ss. 234.18 (1), 234.40, 234.50, 234.61, 234.63,  
11          234.65, and 234.66 do not apply to bonds or notes issued under this section.

12          **SECTION 35.** 234.61<sup>✓</sup> (1) of the statutes is amended to read:

13          234.61 (1) Upon the authorization of the department of health and family  
14          services, the authority may issue bonds or notes and make loans for the financing of  
15          housing projects which are residential facilities as defined in s. 46.28 (1) (d) and the  
16          development costs of those housing projects, if the department of health and family  
17          services has approved the residential facilities for financing under s. 46.28 (2). The  
18          limitations in ss. 234.18 (1), 234.40, 234.50, 234.60, 234.63, 234.65, and 234.66 do not  
19          apply to bonds or notes issued under this section. The definition of “nonprofit  
20          corporation” in s. 234.01 (9) does not apply to this section.

21          **SECTION 36.** 234.63<sup>✓</sup> of the statutes is created to read:

22          **234.63 Airport development zone loan program.** (1) There is established  
23          a loan program to be known as the “Wisconsin Airport Development Zone Loan  
24          Program.”

1           (2) (a) For the purpose of awarding loans under sub. (3), the authority may  
2 issue bonds in an aggregate principal amount not to exceed \$200,000,000, excluding  
3 bonds issued to refund outstanding bonds issued under this paragraph. Bonds  
4 issued under this paragraph shall be special obligations of the authority payable  
5 solely out of revenues received in connection with the loan program under sub. (1),  
6 including specifically repayments of the loans awarded under sub. (3) and the  
7 proceeds of bonds issued under this paragraph. All assets and liabilities created  
8 through the issuance of bonds under this paragraph shall be separate from all other  
9 assets and liabilities of the authority.

10           (b) The limits in ss. 234.18 (1), 234.40, 234.50, 234.60, 234.61, 234.65, and  
11 234.66 do not apply to bonds issued under par. (a).

12           (c) The authority shall employ the building commission as its financial  
13 consultant to assist and coordinate the issuance of bonds under par. (a).

14           (3) (a) The authority may award a loan to a business for the purpose of  
15 financing the construction or expansion of an airport in an airport development zone  
16 established under s. 560.799.

17           (b) The authority shall charge a rate of interest for each loan awarded under  
18 par. (a) that reasonably approximates that portion of the amount required to repay  
19 the principal and interest of the bonds issued under par. (a), plus the cost of issuing  
20 the bonds, that is allocable to the loan.

21           **SECTION 37.** 234.66 (3) (b) of the statutes is amended to read:

22           234.66 (3) (b) The limits in ss. 234.18 (1), 234.40, 234.50, 234.60, 234.61,  
23 234.63, and 234.65 do not apply to bonds or notes issued under this section.

24           **SECTION 38.** 560.799 of the statutes is created to read:

25           **560.799 Airport development zones. (1) DEFINITIONS.** In this section:

1 (a) “Airport development project” means the construction or expansion of an  
2 airport in this state.

3 (b) “Full-time job” has the meaning given in s. 560.70 (2m).

4 (c) “Target population” has the meaning given in s. 560.70 (6).

5 (d) “Tax benefits” has the meaning given in s. 560.70 (7).

6 (2) DESIGNATION OF AN AIRPORT DEVELOPMENT ZONE. (a) Subject to par. (c), the  
7 department may designate an area as an airport development zone if the department  
8 determines all of the following:

9 1. That an airport development project is desired for the area, as evidenced by  
10 a resolution of the governing body of each city, village, and town in which territory  
11 of the airport development zone will be located.

12 2. That the airport development project serves a public purpose.

13 3. That the airport development project will likely retain or increase  
14 employment in the state.

15 4. That the airport development project is not likely to occur or continue  
16 without the department’s designation of the area as an airport development zone.

17 5. That the airport development project will likely positively affect the area.

18 (b) In making a determination under par. (a), the department shall consider all  
19 of the following:

20 1. The extent of poverty, unemployment, or other factors contributing to  
21 general economic hardship in the area.

22 2. The prospects for new investment and economic development in the area.

23 3. The amount of investment that is likely to result from the airport  
24 development project.

1           4. The number of full-time jobs that are likely to be created as a result of the  
2 airport development project.

3           5. The number of full-time jobs that are likely to be available to the target  
4 population as a result of the project.

5           6. The competitive effect of designating the area as an airport development  
6 zone on other businesses in the area.

7           7. The needs of other areas of the state.

8           8. Any other factors that the department considers relevant.

9           (c) The department may not designate as an airport development zone, or as  
10 any part of an airport development zone, an area that is located within the  
11 boundaries of an area that is designated as a development zone under s. 560.71, as  
12 a development opportunity zone under s. 560.795, or as an enterprise development  
13 zone under s. 560.797.

14           **(3) DURATION OF DESIGNATION; LIMITS ON TAX BENEFITS.** (a) When the department  
15 designates an area as an airport development zone, the department shall specify the  
16 length of time, not to exceed 84 months, that the designation is effective, subject to  
17 par. (d). The department shall notify each person certified for tax benefits in an  
18 airport development zone, the Department of Revenue, the Wisconsin Housing and  
19 Economic Development Authority, and the governing body of each city, village, town,  
20 and federally recognized American Indian tribe or band in which territory of the  
21 airport development zone is located of the designation of and expiration date of the  
22 airport development zone.

23           (b) When the department designates an area as an airport development zone,  
24 the department shall establish a limit, not to exceed \$3,000,000, for tax benefits  
25 applicable to the airport development zone.

1 (c) Annually, the department shall estimate the amount of forgone state  
2 revenue because of tax benefits claimed by persons in each airport development zone.

3 (d) 1. Notwithstanding the length of time specified by the department under  
4 par. (a), the designation of an area as an airport development zone shall expire 90  
5 days after the day on which the department determines that the forgone tax  
6 revenues estimated under par. (c) will equal or exceed the limit established for the  
7 airport development zone.

8 2. The department shall immediately notify each person certified for tax  
9 benefits in an airport development zone, the Department of Revenue, the Wisconsin  
10 Housing and Economic Development Authority, and the governing body of each city,  
11 village, town, and federally recognized American Indian tribe or band in which  
12 territory of the airport development zone is located of a change in the expiration date  
13 of the airport development zone under this paragraph.

14 (4) CERTIFICATION FOR TAX BENEFITS. (a) A person that intends to operate a place  
15 of business in an airport development zone may submit to the department an  
16 application and a business plan. The business plan shall include all of the following:

17 1. The name and address of the person's business for which tax benefits will be  
18 claimed.

19 2. The appropriate Wisconsin tax identification number of the person.

20 3. The names and addresses of other locations outside of the airport  
21 development zone where the person conducts business and a description of the  
22 business activities conducted at those locations.

23 4. The amount that the person proposes to invest in the place of business or to  
24 spend on the construction, rehabilitation, repair, or remodeling of a building in the  
25 airport development zone.

1           5. The estimated total investment of the person in the airport development  
2 zone.

3           6. The estimated number of full-time jobs that will be created, retained, or  
4 substantially upgraded as a result of the person's place of business in the airport  
5 development zone in relation to the amount of tax benefits estimated for the person.

6           7. The person's plans to make reasonable attempts to hire employees from the  
7 target population.

8           8. The estimated number of full-time jobs that will be filled by members of the  
9 target population.

10          10. Any other information required by the department or the Department of  
11 Revenue.

12           (b) If the department approves a business plan under par. (a), the department  
13 shall certify the person as eligible for tax benefits. The department shall notify the  
14 Department of Revenue within 30 days of certifying a person under this paragraph.

15           (c) The department shall revoke a person's certification under par. (b) when the  
16 designation of the applicable airport development zone expires or if the person does  
17 any of the following:

18           1. Supplies false or misleading information to obtain the tax benefits.

19           2. Leaves the airport development zone to conduct substantially the same  
20 business outside of the airport development zone.

21           3. Ceases operations in the airport development zone and does not renew  
22 operation of the business or a similar business in the airport development zone  
23 within 12 months.

24           (d) The department shall notify the Department of Revenue within 30 days  
25 after revoking a certification under par. (c).





State of Wisconsin  
2003 - 2004 LEGISLATURE

LRB-37611  
JK&RJM:kjf

2003 BILL

in 1-28-04

now

Regen

1 AN ACT *to amend* 71.07 (2dm) (a) 1., 71.07 (2dm) (a) 3., 71.07 (2dm) (f) 1., 71.07  
2 (2dm) (j), 71.07 (2dm) (k), 71.07 (2dx) (a) 2., 71.07 (2dx) (b) (intro.), 71.07 (2dx)  
3 (c), 71.07 (2dx) (d), 71.28 (1dm) (a) 1., 71.28 (1dm) (a) 3., 71.28 (1dm) (f) 1., 71.28  
4 (1dm) (j), 71.28 (1dm) (k), 71.28 (1dx) (a) 2., 71.28 (1dx) (b) (intro.), 71.28 (1dx)  
5 (c), 71.28 (1dx) (d), 71.47 (1dm) (a) 1., 71.47 (1dm) (a) 3., 71.47 (1dm) (f) 1., 71.47  
6 (1dm) (j), 71.47 (1dm) (k), 71.47 (1dx) (a) 2., 71.47 (1dx) (b) (intro.), 71.47 (1dx)  
7 (c), 71.47 (1dx) (d), 234.03 (2m), 234.03 (11), 234.08 (1), 234.265 (2), 234.40 (4),  
8 234.50 (4), 234.60 (2), 234.61 (1) and 234.66 (3) (b); and *to create* 234.63 and  
9 560.799 of the statutes; **relating to:** creating income and franchise tax credits  
10 for businesses located in an airport development zone and a loan program for  
11 certain construction projects in an airport development zone.

*Analysis by the Legislative Reference Bureau*

This bill creates an airport development zone program which awards income and franchise tax credits to certain businesses that locate in areas designated as airport development zones. The bill also creates an airport development zone loan

**BILL**

program which awards loans to finance the construction or expansion of airports in airport development zones. Significant provisions include:

***Designation of airport development zones***

Under the bill, the Department of Commerce (department) may designate an area in this state as an airport development zone if the department determines all of the following:

1. That a project to construct or expand an airport within the area is desired by the governing body of each city, village, and town in which territory of the airport development zone will be located.
2. That the airport development project serves a public purpose.
3. That the airport development project will likely retain or increase employment in the state.
4. That the airport development project is not likely to occur or continue without the department's designation of the area as an airport development zone.
5. That the airport development project will likely positively affect the area.

In addition, the bill requires the department to consider all of the following in making a decision concerning a designation as an airport development zone:

1. The extent of poverty, unemployment, or other factors contributing to general economic hardship in the area.
2. The prospects for new investment and economic development in the area.
3. The amount of investment that is likely to result from the airport development project.
4. The number of full-time jobs that are likely to be created as a result of the airport development project.
5. The number of full-time jobs that are likely to be available to the target population as a result of the project.
6. The competitive effect of designating the area as an airport development zone on other businesses in the area.
7. The needs of other areas of the state.
8. Any other factors that the department considers relevant.

Under the bill, the department may not designate as an airport development zone, or as any part of an airport development zone, an area that is located within the boundaries of an area that is designated as a development zone, development opportunity zone, or enterprise development zone under current law.

The bill requires the department to specify the length of time, not to exceed 84 months, that a designation is effective and requires the department to establish a limit, not to exceed \$3,000,000, for tax credits applicable to each airport development zone. In addition, the department must annually estimate the amount of forgone state revenue because of tax credits claimed by persons in each airport development zone. The designation of an area as an airport development zone expires before the date initially set by the department, if the department determines that the forgone tax revenues will equal or exceed the limit on tax credits established for the airport development zone.

**BILL*****Certification for tax credits***

The bill allows a person that intends to operate a place of business in an airport development zone to apply to the department for tax credits. The application must specify all of the following:

1. The name and address of the person's business for which tax credits will be claimed.
2. The appropriate Wisconsin tax identification number of the person.
3. The names and addresses of other locations outside of the airport development zone where the person conducts business and a description of the business activities conducted at those locations.
4. The amount that the person proposes to invest in the place of business or to spend on the construction, rehabilitation, repair, or remodeling of a building in the airport development zone.
5. The estimated total investment of the person in the airport development zone.
6. The estimated number of full-time jobs that will be created, retained, or substantially upgraded as a result of the person's place of business in the airport development zone in relation to the amount of tax credits estimated for the person.
7. The person's plans to make reasonable attempts to hire employees from a specified target population.
8. The estimated number of full-time jobs that will be filled by members of the target population.
9. Any other information required by the department or the Department of Revenue.

The bill requires the department to revoke a person's certification if the designation of the applicable airport development zone expires. In addition, a person's certification must be revoked if the person supplied false or misleading information to obtain the tax credits; leaves the airport development zone to conduct substantially the same business outside of the airport development zone; or ceases operations in the airport development zone and does not renew operation of the business or a similar business in the airport development zone within 12 months.

***Tax credits***

A person who is certified to claim tax credits based on the person's business activities in an airport development zone may claim the development zone's capital investment credit under current law. The amount of that credit is equal to 3 percent of the purchase price of depreciable, tangible personal property or 3 percent of the amount expended to acquire, construct, rehabilitate, remodel, or repair real property that is located in the development zone. In addition, the person may claim a development zone's credit under current law based on the number of full-time jobs created in the airport development zone.

***Airport development zone loan program***

The bill establishes a loan program to be known as the "Airport Development Zone Loan Program." Under the program, the Wisconsin Housing and Economic Development Authority (WHEDA) is authorized to award loans to a business for the purpose of financing the construction or expansion of an airport in an airport

**BILL**

4

*including financing activities to encourage airlines to serve the airport or to increase the number of flights to and from the airport*

development zone) Under the bill, a loan's interest rate must be determined with reference to the amount required to repay the principal and interest of the bonds described below, plus the cost of issuing the bonds.

The bill provides that the program is to be funded from the proceeds of bonds issued by WHEDA in an aggregate principal amount of up to \$200,000,000. The debt service on the bonds, as well as all costs associated with the issuance of the bonds, is to be paid by the businesses granted the loans under the program.

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:***

**SECTION 1.** 71.07 (2dm) (a) 1. of the statutes is amended to read:

71.07 (2dm) (a) 1. "Certified" means entitled under s. 560.795 (3) (a) 4. to claim tax benefits or certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4).

**SECTION 2.** 71.07 (2dm) (a) 3. of the statutes is amended to read:

71.07 (2dm) (a) 3. "Development zone" means a development opportunity zone under s. 560.795 (1) (e) and (f) or 560.798, or an airport development zone under s. 560.799.

**SECTION 3.** 71.07 (2dm) (f) 1. of the statutes is amended to read:

71.07 (2dm) (f) 1. A copy of a verification from the department of commerce that the claimant may claim tax benefits under s. 560.795 (3) (a) 4. or is certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4).

**SECTION 4.** 71.07 (2dm) (j) of the statutes is amended to read:

71.07 (2dm) (j) If a person who is entitled under s. 560.795 (3) (a) 4. to claim tax benefits becomes ineligible for such tax benefits, or if a person's certification under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4) is revoked, that person may claim no credits under this subsection for the taxable year that includes the day on which the person becomes ineligible for tax benefits, the taxable year that includes the day

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1 on which the certification is revoked, or succeeding taxable years, and that person  
2 may carry over no unused credits from previous years to offset tax under this chapter  
3 for the taxable year that includes the day on which the person becomes ineligible for  
4 tax benefits, the taxable year that includes the day on which the certification is  
5 revoked, or succeeding taxable years.

6 **SECTION 5.** 71.07 (2dm) (k) of the statutes is amended to read:

7 71.07 (2dm) (k) If a person who is entitled under s. 560.795 (3) (a) 4. to claim  
8 tax benefits or certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4) ceases  
9 business operations in the development zone during any of the taxable years that  
10 that zone exists, that person may not carry over to any taxable year following the  
11 year during which operations cease any unused credits from the taxable year during  
12 which operations cease or from previous taxable years.

13 **SECTION 6.** 71.07 (2dx) (a) 2. of the statutes is amended to read:

14 71.07 (2dx) (a) 2. “Development zone” means a development zone under s.  
15 560.70, a development opportunity zone under s. 560.795, an enterprise  
16 development zone under s. 560.797, ~~or~~ an agricultural development zone under s.  
17 560.798, or an airport development zone under s. 560.799.

18 **SECTION 7.** 71.07 (2dx) (b) (intro.) of the statutes is amended to read:

19 71.07 (2dx) (b) *Credit.* (intro.) Except as provided in pars. (be) and (bg) and  
20 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person  
21 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3),  
22 560.797 (4) ~~or~~, 560.798 (3), or 560.799 (4), any person may claim as a credit against  
23 taxes imposed on the person’s income from the person’s business activities in a  
24 development zone the following amounts:

25 **SECTION 8.** 71.07 (2dx) (c) of the statutes is amended to read:

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1           71.07 (2dx) (c) *Credit precluded*. If the certification of a person for tax benefits  
2 under s. 560.765 (3), 560.797 (4) ~~or~~, 560.798 (3), or 560.799 (4) is revoked, or if the  
3 person becomes ineligible for tax benefits under s. 560.795 (3), that person may not  
4 claim credits under this subsection for the taxable year that includes the day on  
5 which the certification is revoked; the taxable year that includes the day on which  
6 the person becomes ineligible for tax benefits; or succeeding taxable years and that  
7 person may not carry over unused credits from previous years to offset tax under this  
8 chapter for the taxable year that includes the day on which certification is revoked;  
9 the taxable year that includes the day on which the person becomes ineligible for tax  
10 benefits; or succeeding taxable years.

11           **SECTION 9.** 71.07 (2dx) (d) of the statutes is amended to read:

12           71.07 (2dx) (d) *Carry-over precluded*. If a person who is entitled under s.  
13 560.795 (3) to claim tax benefits or certified under s. 560.765 (3), 560.797 (4) ~~or~~,  
14 560.798 (3), or 560.799 (4) for tax benefits ceases business operations in the  
15 development zone during any of the taxable years that that zone exists, that person  
16 may not carry over to any taxable year following the year during which operations  
17 cease any unused credits from the taxable year during which operations cease or  
18 from previous taxable years.

19           **SECTION 10.** 71.28 (1dm) (a) 1. of the statutes is amended to read:

20           71.28 (1dm) (a) 1. “Certified” means entitled under s. 560.795 (3) (a) 4. to claim  
21 tax benefits or certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4).

22           **SECTION 11.** 71.28 (1dm) (a) 3. of the statutes is amended to read:

23           71.28 (1dm) (a) 3. “Development zone” means a development opportunity zone  
24 under s. 560.795 (1) (e) and (f) or 560.798, or an airport development zone under s.  
25 560.799.

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1           **SECTION 12.** 71.28 (1dm) (f) 1. of the statutes is amended to read:

2           71.28 (1dm) (f) 1. A copy of a verification from the department of commerce that  
3 the claimant may claim tax benefits under s. 560.795 (3) (a) 4. or is certified under  
4 s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4).

5           **SECTION 13.** 71.28 (1dm) (j) of the statutes is amended to read:

6           71.28 (1dm) (j) If a person who is entitled under s. 560.795 (3) (a) 4. to claim  
7 tax benefits becomes ineligible for such tax benefits, or if a person's certification  
8 under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4) is revoked, that person may claim  
9 no credits under this subsection for the taxable year that includes the day on which  
10 the person becomes ineligible for tax benefits, the taxable year that includes the day  
11 on which the certification is revoked, or succeeding taxable years, and that person  
12 may carry over no unused credits from previous years to offset tax under this chapter  
13 for the taxable year that includes the day on which the person becomes ineligible for  
14 tax benefits, the taxable year that includes the day on which the certification is  
15 revoked, or succeeding taxable years.

16           **SECTION 14.** 71.28 (1dm) (k) of the statutes is amended to read:

17           71.28 (1dm) (k) If a person who is entitled under s. 560.795 (3) (a) 4. to claim  
18 tax benefits or certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4) ceases  
19 business operations in the development zone during any of the taxable years that  
20 that zone exists, that person may not carry over to any taxable year following the  
21 year during which operations cease any unused credits from the taxable year during  
22 which operations cease or from previous taxable years.

23           **SECTION 15.** 71.28 (1dx) (a) 2. of the statutes is amended to read:

24           71.28 (1dx) (a) 2. "Development zone" means a development zone under s.  
25 560.70, a development opportunity zone under s. 560.795, an enterprise

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1 development zone under s. 560.797, ~~or~~ an agricultural development zone under s.  
2 560.798, or an airport development zone under s. 560.799.

3 **SECTION 16.** 71.28 (1dx) (b) (intro.) of the statutes is amended to read:

4 71.28 (1dx) (b) *Credit.* (intro.) Except as provided in pars. (be) and (bg) and  
5 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person  
6 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3),  
7 560.797 (4) ~~or~~, 560.798 (3), or 560.799 (4), any person may claim as a credit against  
8 taxes imposed on the person's income from the person's business activities in a  
9 development zone under this subchapter the following amounts:

10 **SECTION 17.** 71.28 (1dx) (c) of the statutes is amended to read:

11 71.28 (1dx) (c) *Credit precluded.* If the certification of a person for tax benefits  
12 under s. 560.765 (3), 560.797 (4) ~~or~~, 560.798 (3), or 560.799 (4) is revoked, or if the  
13 person becomes ineligible for tax benefits under s. 560.795 (3), that person may not  
14 claim credits under this subsection for the taxable year that includes the day on  
15 which the certification is revoked; the taxable year that includes the day on which  
16 the person becomes ineligible for tax benefits; or succeeding taxable years and that  
17 person may not carry over unused credits from previous years to offset tax under this  
18 chapter for the taxable year that includes the day on which certification is revoked;  
19 the taxable year that includes the day on which the person becomes ineligible for tax  
20 benefits; or succeeding taxable years.

21 **SECTION 18.** 71.28 (1dx) (d) of the statutes is amended to read:

22 71.28 (1dx) (d) *Carry-over precluded.* If a person who is entitled under s.  
23 560.795 (3) to claim tax benefits or certified under s. 560.765 (3), 560.797 (4) ~~or~~,  
24 560.798 (3), or 560.799 (4) for tax benefits ceases business operations in the  
25 development zone during any of the taxable years that that zone exists, that person

**BILL**

1 may not carry over to any taxable year following the year during which operations  
2 cease any unused credits from the taxable year during which operations cease or  
3 from previous taxable years.

4 **SECTION 19.** 71.47 (1dm) (a) 1. of the statutes is amended to read:

5 71.47 (1dm) (a) 1. “Certified” means entitled under s. 560.795 (3) (a) 4. to claim  
6 tax benefits or certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4).

7 **SECTION 20.** 71.47 (1dm) (a) 3. of the statutes is amended to read:

8 71.47 (1dm) (a) 3. “Development zone” means a development opportunity zone  
9 under s. 560.795 (1) (e) and (f) or 560.798, or an airport development zone under s.  
10 560.799.

11 **SECTION 21.** 71.47 (1dm) (f) 1. of the statutes is amended to read:

12 71.47 (1dm) (f) 1. A copy of a verification from the department of commerce that  
13 the claimant may claim tax benefits under s. 560.795 (3) (a) 4. or is certified under  
14 s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4).

15 **SECTION 22.** 71.47 (1dm) (j) of the statutes is amended to read:

16 71.47 (1dm) (j) If a person who is entitled under s. 560.795 (3) (a) 4. to claim  
17 tax benefits becomes ineligible for such tax benefits, or if a person’s certification  
18 under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4) is revoked, that person may claim  
19 no credits under this subsection for the taxable year that includes the day on which  
20 the person becomes ineligible for tax benefits, the taxable year that includes the day  
21 on which the certification is revoked, or succeeding taxable years, and that person  
22 may carry over no unused credits from previous years to offset tax under this chapter  
23 for the taxable year that includes the day on which the person becomes ineligible for  
24 tax benefits, the taxable year that includes the day on which the certification is  
25 revoked, or succeeding taxable years.

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1           **SECTION 23.** 71.47 (1dm) (k) of the statutes is amended to read:

2           71.47 (1dm) (k) If a person who is entitled under s. 560.795 (3) (a) 4. to claim  
3 tax benefits or certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4) ceases  
4 business operations in the development zone during any of the taxable years that  
5 that zone exists, that person may not carry over to any taxable year following the  
6 year during which operations cease any unused credits from the taxable year during  
7 which operations cease or from previous taxable years.

8           **SECTION 24.** 71.47 (1dx) (a) 2. of the statutes is amended to read:

9           71.47 (1dx) (a) 2. “Development zone” means a development zone under s.  
10 560.70, a development opportunity zone under s. 560.795 or an enterprise  
11 development zone under s. 560.797, ~~or~~ an agricultural development zone under s.  
12 560.798, or an airport development zone under s. 560.799.

13           **SECTION 25.** 71.47 (1dx) (b) (intro.) of the statutes is amended to read:

14           71.47 (1dx) (b) *Credit.* (intro.) Except or 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),  
17 560.797 (4) ~~or~~, 560.798 (3), or 560.799 (4), any person may claim as a credit against  
18 taxes imposed on the person’s income from the person’s business activities in a  
19 development zone under this subchapter the following amounts:

20           **SECTION 26.** 71.47 (1dx) (c) of the statutes is amended to read:

21           71.47 (1dx) (c) *Credit precluded.* If the certification of a person for tax benefits  
22 under s. 560.765 (3), 560.797 (4) ~~or~~, 560.798 (3), or 560.799 (4) is revoked, or if the  
23 person becomes ineligible for tax benefits under s. 560.795 (3), that person may not  
24 claim credits under this subsection for the taxable year that includes the day on  
25 which the certification is revoked; the taxable year that includes the day on which

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

6 **SECTION 27.** 71.47 (1dx) (d) of the statutes is amended to read:

7 71.47 (1dx) (d) *Carry-over precluded.* If a person who is entitled under s.  
8 560.795 (3) to claim tax benefits or certified under s. 560.765 (3), 560.797 (4) or,  
9 560.798 (3), or 560.799 (4) for tax benefits ceases business operations in the  
10 development zone during any of the taxable years that that zone exists, that person  
11 may not carry over to any taxable year following the year during which operations  
12 cease any unused credits from the taxable year during which operations cease or  
13 from previous taxable years.

14 **SECTION 28.** 234.03 (2m) of the statutes is amended to read:

15 234.03 (2m) To issue notes and bonds in accordance with ss. 234.08, 234.40,  
16 234.50, 234.60, 234.61, 234.626, 234.63, 234.65, and 234.66.

17 **SECTION 29.** 234.03 (11) of the statutes is amended to read:

18 234.03 (11) To collect fees and charges on mortgage loans and economic  
19 development loans and airport development loans under s. 234.63 (3) for the purpose  
20 of paying all or a portion of authority costs as the authority determines are  
21 reasonable and as approved by the authority.

22 **SECTION 30.** 234.08 (1) of the statutes is amended to read:

23 234.08 (1) The authority may issue its negotiable notes and bonds in such  
24 principal amount, as, in the opinion of the authority, is necessary to provide sufficient  
25 funds for achieving its corporate purposes, including the purchase of certain

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1 mortgages and securities and the making of secured loans for low- and  
2 moderate-income housing, for the rehabilitation of existing structures and for the  
3 construction of facilities appurtenant thereto as provided in this chapter; for the  
4 making of secured loans to assist eligible elderly homeowners in paying property  
5 taxes and special assessments; for the payment of interest on notes and bonds of the  
6 authority during construction; for the awarding of airport development loans under  
7 s. 234.63 (3); for the establishment of reserves to secure such notes and bonds; for the  
8 provision of moneys for the housing development fund in order to make temporary  
9 loans to sponsors of housing projects as provided in this chapter; and for all other  
10 expenditures of the authority incident to and necessary or convenient to carry out its  
11 corporate purposes and powers.

12 **SECTION 31.** 234.265 (2) of the statutes is amended to read:

13 234.265 (2) Records or portions of records consisting of personal or financial  
14 information provided by a person seeking a grant or loan under s. 234.08, 234.49,  
15 234.59, 234.61, 234.63, 234.65, 234.67, 234.83, 234.84, 234.90, 234.905, 234.907, or  
16 234.91, seeking a loan under ss. 234.621 to 234.626, seeking financial assistance  
17 under s. 234.66, seeking investment of funds under s. 234.03 (18m) or in which the  
18 authority has invested funds under s. 234.03 (18m), unless the person consents to  
19 disclosure of the information.

20 **SECTION 32.** 234.40 (4) of the statutes is amended to read:

21 234.40 (4) The limitations established in ss. 234.18 (1), 234.50, 234.60, 234.61,  
22 234.63, 234.65, and 234.66 are not applicable to bonds issued under the authority of  
23 this section. The authority may not have outstanding at any one time bonds for  
24 veterans housing loans in an aggregate principal amount exceeding \$61,945,000,  
25 excluding bonds being issued to refund outstanding bonds.

**BILL**

1           **SECTION 33.** 234.50 (4) of the statutes is amended to read:

2           234.50 (4) The limitations established in ss. 234.18 (1), 234.40, 234.60, 234.61,  
3           234.63, 234.65, and 234.66 are not applicable to bonds issued under the authority of  
4           this section. The authority may not have outstanding at any one time bonds for  
5           housing rehabilitation loans in an aggregate principal amount exceeding  
6           \$100,000,000, excluding bonds being issued to refund outstanding bonds. The  
7           authority shall consult with and coordinate the issuance of bonds with the building  
8           commission prior to the issuance of bonds.

9           **SECTION 34.** 234.60 (2) of the statutes is amended to read:

10          234.60 (2) The limitations in ss. 234.18 (1), 234.40, 234.50, 234.61, 234.63,  
11          234.65, and 234.66 do not apply to bonds or notes issued under this section.

12          **SECTION 35.** 234.61 (1) of the statutes is amended to read:

13          234.61 (1) Upon the authorization of the department of health and family  
14          services, the authority may issue bonds or notes and make loans for the financing of  
15          housing projects which are residential facilities as defined in s. 46.28 (1) (d) and the  
16          development costs of those housing projects, if the department of health and family  
17          services has approved the residential facilities for financing under s. 46.28 (2). The  
18          limitations in ss. 234.18 (1), 234.40, 234.50, 234.60, 234.63, 234.65, and 234.66 do not  
19          apply to bonds or notes issued under this section. The definition of “nonprofit  
20          corporation” in s. 234.01 (9) does not apply to this section.

21          **SECTION 36.** 234.63 of the statutes is created to read:

22          **234.63 Airport development zone loan program.** (1) There is established  
23          a loan program to be known as the “Wisconsin Airport Development Zone Loan  
24          Program.”

**BILL**

1 (2) (a) For the purpose of awarding loans under sub. (3), the authority may  
2 issue bonds in an aggregate principal amount not to exceed \$200,000,000, excluding  
3 bonds issued to refund outstanding bonds issued under this paragraph. Bonds  
4 issued under this paragraph shall be special obligations of the authority payable  
5 solely out of revenues received in connection with the loan program under sub. (1),  
6 including specifically repayments of the loans awarded under sub. (3) and the  
7 proceeds of bonds issued under this paragraph. All assets and liabilities created  
8 through the issuance of bonds under this paragraph shall be separate from all other  
9 assets and liabilities of the authority.

10 (b) The limits in ss. 234.18 (1), 234.40, 234.50, 234.60, 234.61, 234.65, and  
11 234.66 do not apply to bonds issued under par. (a).

12 (c) The authority shall employ the building commission as its financial  
13 consultant to assist and coordinate the issuance of bonds under par. (a).

14 (3) (a) The authority may award a loan to a business for the purpose of  
15 financing the construction or expansion of an airport in an airport development zone  
16 established under s. 560.799.

17 (b) The authority shall charge a rate of interest for each loan awarded under  
18 par. (a) that reasonably approximates that portion of the amount required to repay  
19 the principal and interest of the bonds issued under par. (a), plus the cost of issuing  
20 the bonds, that is allocable to the loan.

21 **SECTION 37.** 234.66 (3) (b) of the statutes is amended to read:

22 234.66 (3) (b) The limits in ss. 234.18 (1), 234.40, 234.50, 234.60, 234.61,  
23 234.63, and 234.65 do not apply to bonds or notes issued under this section.

24 **SECTION 38.** 560.799 of the statutes is created to read:

25 **560.799 Airport development zones. (1) DEFINITIONS.** In this section:

*, including financing activities to increase the number of flights to and from the airport or to encourage airlines that do not offer flights to and from the airport to offer such flights*

**BILL**

1 (a) “Airport development project” means the construction or expansion of an  
2 airport in this state.

3 (b) “Full-time job” has the meaning given in s. 560.70 (2m).

4 (c) “Target population” has the meaning given in s. 560.70 (6).

5 (d) “Tax benefits” has the meaning given in s. 560.70 (7).

6 **(2) DESIGNATION OF AN AIRPORT DEVELOPMENT ZONE.** (a) Subject to par. (c), the  
7 department may designate an area as an airport development zone if the department  
8 determines all of the following:

9 1. That an airport development project is desired for the area, as evidenced by  
10 a resolution of the governing body of each city, village, and town in which territory  
11 of the airport development zone will be located.

12 2. That the airport development project serves a public purpose.

13 3. That the airport development project will likely retain or increase  
14 employment in the state.

15 4. That the airport development project is not likely to occur or continue  
16 without the department’s designation of the area as an airport development zone.

17 5. That the airport development project will likely positively affect the area.

18 (b) In making a determination under par. (a), the department shall consider all  
19 of the following:

20 1. The extent of poverty, unemployment, or other factors contributing to  
21 general economic hardship in the area.

22 2. The prospects for new investment and economic development in the area.

23 3. The amount of investment that is likely to result from the airport  
24 development project.

**BILL**

1           4. The number of full-time jobs that are likely to be created as a result of the  
2 airport development project.

3           5. The number of full-time jobs that are likely to be available to the target  
4 population as a result of the project.

5           6. The competitive effect of designating the area as an airport development  
6 zone on other businesses in the area.

7           7. The needs of other areas of the state.

8           8. Any other factors that the department considers relevant.

9           (c) The department may not designate as an airport development zone, or as  
10 any part of an airport development zone, an area that is located within the  
11 boundaries of an area that is designated as a development zone under s. 560.71, as  
12 a development opportunity zone under s. 560.795, or as an enterprise development  
13 zone under s. 560.797.

14           **(3) DURATION OF DESIGNATION; LIMITS ON TAX BENEFITS.** (a) When the department  
15 designates an area as an airport development zone, the department shall specify the  
16 length of time, not to exceed 84 months, that the designation is effective, subject to  
17 par. (d). The department shall notify each person certified for tax benefits in an  
18 airport development zone, the Department of Revenue, the Wisconsin Housing and  
19 Economic Development Authority, and the governing body of each city, village, town,  
20 and federally recognized American Indian tribe or band in which territory of the  
21 airport development zone is located of the designation of and expiration date of the  
22 airport development zone.

23           (b) When the department designates an area as an airport development zone,  
24 the department shall establish a limit, not to exceed \$3,000,000, for tax benefits  
25 applicable to the airport development zone.

**BILL**

1 (c) Annually, the department shall estimate the amount of forgone state  
2 revenue because of tax benefits claimed by persons in each airport development zone.

3 (d) 1. Notwithstanding the length of time specified by the department under  
4 par. (a), the designation of an area as an airport development zone shall expire 90  
5 days after the day on which the department determines that the forgone tax  
6 revenues estimated under par. (c) will equal or exceed the limit established for the  
7 airport development zone.

8 2. The department shall immediately notify each person certified for tax  
9 benefits in an airport development zone, the Department of Revenue, the Wisconsin  
10 Housing and Economic Development Authority, and the governing body of each city,  
11 village, town, and federally recognized American Indian tribe or band in which  
12 territory of the airport development zone is located of a change in the expiration date  
13 of the airport development zone under this paragraph.

14 (4) CERTIFICATION FOR TAX BENEFITS. (a) A person that intends to operate a place  
15 of business in an airport development zone may submit to the department an  
16 application and a business plan. The business plan shall include all of the following:

17 1. The name and address of the person's business for which tax benefits will be  
18 claimed.

19 2. The appropriate Wisconsin tax identification number of the person.

20 3. The names and addresses of other locations outside of the airport  
21 development zone where the person conducts business and a description of the  
22 business activities conducted at those locations.

23 4. The amount that the person proposes to invest in the place of business or to  
24 spend on the construction, rehabilitation, repair, or remodeling of a building in the  
25 airport development zone.

**BILL**

1           5. The estimated total investment of the person in the airport development  
2 zone.

3           6. The estimated number of full-time jobs that will be created, retained, or  
4 substantially upgraded as a result of the person's place of business in the airport  
5 development zone in relation to the amount of tax benefits estimated for the person.

6           7. The person's plans to make reasonable attempts to hire employees from the  
7 target population.

8           8. The estimated number of full-time jobs that will be filled by members of the  
9 target population.

10          10. Any other information required by the department or the Department of  
11 Revenue.

12           (b) If the department approves a business plan under par. (a), the department  
13 shall certify the person as eligible for tax benefits. The department shall notify the  
14 Department of Revenue within 30 days of certifying a person under this paragraph.

15           (c) The department shall revoke a person's certification under par. (b) when the  
16 designation of the applicable airport development zone expires or if the person does  
17 any of the following:

18           1. Supplies false or misleading information to obtain the tax benefits.

19           2. Leaves the airport development zone to conduct substantially the same  
20 business outside of the airport development zone.

21           3. Ceases operations in the airport development zone and does not renew  
22 operation of the business or a similar business in the airport development zone  
23 within 12 months.

24           (d) The department shall notify the Department of Revenue within 30 days  
25 after revoking a certification under par. (c).

