

2003 DRAFTING REQUEST

Senate Amendment (SA-SB44)

Received: **06/05/2003**

Received By: **rmarchan**

Wanted: **As time permits**

Identical to LRB:

For: **Legislative Fiscal Bureau**

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

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

Drafter: **rmarchan**

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Subject: **Econ. Development - bus. dev.**

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Carbon copy (CC:) to: **robert.marchant@legis.state.wi.us**

Pre Topic:

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

Topic:

Beloit development opportunity zone

Instructions:

Motion #142

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	rmarchan 06/05/2003 jkreye 06/05/2003	kfollett 06/05/2003		_____			
/1			chaskett 06/06/2003	_____	mbarman 06/06/2003		

Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

FE Sent For:

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/?	rmarchan	11 kjf 6/5	1 cph 6/6	jf/cph 6/6			

FE Sent For:

<END>



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

Date: June 2 2003

DELIVER TO: Rob Marchant / Joe Kreye

Addressee Fax #: 264-6948 Addressee Phone #: _____

of Pages, Including Cover: 4 Sender's Initials: RS

From: Ron Shanovich

Message: Here's a motion the committee passed and suggested language. The motion gives same treatment of non-corporate businesses as Milwaukee D02. It also corrects a cross reference omission that current only allows the d2 capital investment credit to be claimed if the credit is based on the activity of another. Commerce suggested ~~the~~ combining 560.795 (3)(a) 4 and 5 otherwise a cross reference to 5 has to be provided under CH 70 language

call me if you have questions 266 8849

Ron

Representative Schooff

**GENERAL FUND TAXES --
INDIVIDUAL AND CORPORATE INCOME AND FRANCHISE TAXES**

Beloit Development Opportunity Zone

Motion:

Move to allow all eligible businesses that are conducting economic activity in the Beloit development opportunity zone (created in September, 2001) to claim tax benefits. Also, specify that any eligible business in the zone may claim the development zone capital investment credit created by 2001 Wisconsin Act 16.

Note:

The 2001-03 biennial budget (2001 Wisconsin Act 16) included provisions that required the Department of Commerce to designate an area in the City of Beloit as a development opportunity zone. Corporations conducting or intending to conduct economic activity in the Beloit zone can claim the consolidated development zones jobs and environmental remediation tax credit and the development zones capital investment credit, if it is based on the economic activity of another. The maximum amount of credits that can be claimed in the Beloit development opportunity zone is \$4.7 million. The zone was designated by Commerce in September, 2001, and will exist for seven years from that date. The Beloit development opportunity zone provides financial assistance to the City's Gateway project.

This motion would allow businesses other than corporations, such as sole proprietorships, partnerships, and limited liability companies taxed as partnerships, to claim tax credits in the Beloit development opportunity zone. In addition, the motion would allow all eligible businesses to claim the development zones capital investment credit, not just those businesses that claim the credit based on the economic activity of another business in the zone. This corrects a statutory cross reference that was not included in the provisions that created the Beloit zone. Based on information provided by Commerce concerning the likely timing of investments by businesses in the Beloit development opportunity zone, this motion is estimated to result in a minimal increase in the amount of tax credits claimed in 2003-05 biennium.

Beloit DOZ Language

~~s560.795 (3) (a) 4. Any person that is conducting or that intends to conduct economic activity in a development opportunity zone under sub. (1) (e) and that, in conjunction with the local governing body of the city in which the development opportunity zone is located, submits a project plan as described in par. (b) to the department shall be entitled to claim tax benefits while the area is designated as a development opportunity zone.~~

~~s560.795 (3) (a) 5. 560.795 (3) (a) 5. Any corporation that is conducting or that intends to conduct economic activity in a development opportunity zone under sub. (1) (f) and that, in conjunction with the local governing body of the city in which the development opportunity zone is located, submits a project plan as described in par. (b) to the department shall be entitled to claim tax benefits while the area is designated as a development opportunity zone.~~



State of Wisconsin
2003 - 2004 LEGISLATURE

LRBb0385/2

RJM

LFB:.....Shanovich – Beloit development opportunity zone

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

SENATE AMENDMENT ,

TO 2003 SENATE BILL 44

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

2 1. Page 998, line 10: after that line insert:

3 "SECTION 2628m. 560.795 (3) (a) 4. and 5. of the statutes are consolidated,
4 renumbered 560.795 (3) (a) 4. and amended to read:

5 560.795 (3) (a) 4. Any person that is conducting or that intends to conduct
6 economic activity in a development opportunity zone under sub. (1) (e) and that, in
7 conjunction with the local governing body of the city in which the development
8 opportunity zone is located, submits a project plan as described in par. (b) to the
9 department shall be entitled to claim tax benefits while the area is designated as a
10 development opportunity zone. ↗

11 ~~5. Any corporation that is conducting or that intends to conduct economic~~
12 ~~activity in a development opportunity zone under sub. (1) or (f) and that, in~~

1 conjunction with the local governing body of the city in which the development
 2 opportunity zone is located, submits a project plan as described in par. (b) to the
 3 department shall be entitled to claim tax benefits while the area is designated as a
 4 development opportunity zone.”.

History: 1993 a. 232; 1995 a. 2; 1995 a. 27 ss. 6936p, 6936r, 9130 (4); 1997 a. 3, 27; 1999 a. 9, 32; 2001 a. 16, 104.

(END)

5

* Page 1122, line 21: after that line insert:
 "(2^f) DEVELOPMENT OPPORTUNITY ZONE. (c) The treatment of section
 560.795(3)(a) 4. and 5. of the statutes first applies to
 taxable years⁴⁵ beginning on January 1, 2003."



State of Wisconsin
2003 - 2004 LEGISLATURE

LRBb0385/1
RJM:kjf:cph

LFB:.....Shanovich – Beloit development opportunity zone

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6 economic activity in a development opportunity zone under sub. (1) (e) and that, in
7 conjunction with the local governing body of the city in which the development
8 opportunity zone is located, submits a project plan as described in par. (b) to the
9 department shall be entitled to claim tax benefits while the area is designated as a
10 development opportunity zone. 5. Any corporation that is conducting or that intends
11 to conduct economic activity in a development opportunity zone under sub. (1) or (f)
12 and that, in conjunction with the local governing body of the city in which the

1 development opportunity zone is located, submits a project plan as described in par.
2 (b) to the department shall be entitled to claim tax benefits while the area is
3 designated as a development opportunity zone.”.

4 **2.** Page 1122, line 21: after that line insert:

5 “(2f) DEVELOPMENT OPPORTUNITY ZONE. The treatment of section 560.795 (3) (a)
6 4. and 5. of the statutes first applies to taxable years beginning on January 1, 2003.”.

7 (END)