

2003 ASSEMBLY BILL 508

AN ACT *to repeal* 71.10 (3) (ac), 71.10 (4) (gg), 71.10 (4) (grb), 71.10 (4) (grd), 71.10 (4) (gu), 71.30 (3) (eg), 71.30 (3) (emb), 71.30 (3) (eom), 71.30 (3) (eon), 71.49 (1) (eg), 71.49 (1) (emb), 71.49 (1) (eom) and 71.49 (1) (eon); *to amend* 71.07 (2di) (c), 71.07 (2dm) (h), 71.07 (2dx) (e), 71.07 (3g) (c), 71.07 (3s) (c) 1., 71.10 (4) (i), 71.28 (1di) (c), 71.28 (1dm) (h), 71.28 (1dx) (e), 71.28 (3) (c) 1., 71.28 (3g) (c), 71.30 (3) (f), 71.47 (1di) (c), 71.47 (1dm) (h), 71.47 (1dx) (e), 71.47 (3) (c) 1., 71.47 (3g) (c) and 71.49 (1) (f); and *to create* 20.835 (2) (dz), 71.07 (2di) (gm), 71.07 (2dm) (gm), 71.07 (2dx) (dm), 71.07 (3g) (bm), 71.28 (1di) (gm), 71.28 (1dm) (gm), 71.28 (1dx) (dm), 71.28 (3g) (bm), 71.47 (1di) (gm), 71.47 (1dm) (gm), 71.47 (1dx) (dm) and 71.47 (3g) (bm) of the statutes; **relating to:** the income and franchise tax credit for sales tax and use tax paid on fuel and electricity consumed in manufacturing, allowing refunds for claiming the development zones capital

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investment tax credit, development zones credit, development opportunity zones credit, technology zones credit and making an appropriation.

Analysis by the Legislative Reference Bureau

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

1 **SECTION 1b.** 20.835 (2) (dz) of the statutes is created to read:

2 20.835 **(2)** (dz) *Development zones and technology zones credits.* A sum
3 sufficient to make the payments under ss. 71.07 (2di) (gm), (2dm) (gm), (2dx) (dm),
4 and (3g) (bm), 71.28 (1di) (gm), (1dm) (gm), (1dx) (dm), and (3g) (bm), and 71.47 (1di)
5 (gm), (1dm) (gm), (1dx) (dm), and (3g) (bm).

6 **SECTION 1c.** 71.07 (2di) (c) of the statutes is amended to read:

7 71.07 **(2di)** (c) Except as provided in par. (b) 2., the for taxable years beginning
8 before January 1, 2006, the carry-over provisions of s. 71.28 (4) (e) and (f) as they
9 relate to the credit under s. 71.28 (4) relate to the credit under this subsection and
10 apply as if the development zone continued to exist.

11 **SECTION 1d.** 71.07 (2di) (gm) of the statutes is created to read:

12 71.07 **(2di)** (gm) For credits computed based on amounts paid or incurred in
13 taxable years beginning after December 31, 2005, if the allowable amount of the
14 claim under this subsection exceeds the income taxes otherwise due on the claimant's
15 income, the amount of the claim that is not used to offset those taxes shall be certified
16 by the department of revenue to the department of administration for payment by
17 check, share draft, or other draft drawn from the appropriation under s. 20.835 (2)
18 (dz).

19 **SECTION 1e.** 71.07 (2dm) (gm) of the statutes is created to read:

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1 71.07 **(2dm)** (gm) For credits computed based on amounts paid or incurred in
2 taxable years beginning after December 31, 2005, if the allowable amount of the
3 claim under this subsection exceeds the income taxes otherwise due on the claimant's
4 income, the amount of the claim that is not used to offset those taxes shall be certified
5 by the department of revenue to the department of administration for payment by
6 check, share draft, or other draft drawn from the appropriation under s. 20.835 (2)
7 (dz).

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

9 71.07 **(2dm)** (h) The For taxable years beginning before January 1, 2006, the
10 carry-over provisions of s. 71.28 (4) (e) and (f) as they relate to the credit under s.
11 71.28 (4) relate to the credit under this subsection.

12 **SECTION 1g.** 71.07 (2dx) (dm) of the statutes is created to read:

13 71.07 **(2dx)** (dm) *Refunds.* For credits computed based on amounts paid or
14 incurred in taxable years beginning after December 31, 2005, if the allowable
15 amount of the claim under this subsection exceeds the income taxes otherwise due
16 on the claimant's income, the amount of the claim that is not used to offset those taxes
17 shall be certified by the department of revenue to the department of administration
18 for payment by check, share draft, or other draft drawn from the appropriation under
19 s. 20.835 (2) (dz).

20 **SECTION 1h.** 71.07 (2dx) (e) of the statutes is amended to read:

21 71.07 **(2dx)** (e) *Administration.* Section 71.28 (4) ~~(e) to (g) and (h)~~, as it applies
22 to the credit under s. 71.28 (4), applies to the credit under this subsection. For
23 taxable years beginning before January 1, 2006, s. 71.28 (4) (e) and (f), as it applies
24 to the credit under s. 71.28 (4), applies to the credit under this subsection. Subsection
25 (2dj) (c), as it applies to the credit under sub. (2dj), applies to the credit under this

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1 subsection. Claimants shall include with their returns a copy of their certification for
2 tax benefits and a copy of the department of commerce's verification of their
3 expenses.

4 **SECTION 1i.** 71.07 (3g) (bm) of the statutes is created to read:

5 71.07 **(3g)** (bm) For credits computed based on amounts paid or incurred in
6 taxable years beginning after December 31, 2005, if the allowable amount of the
7 claim under this subsection exceeds the income taxes otherwise due on the claimant's
8 income, the amount of the claim that is not used to offset those taxes shall be certified
9 by the department of revenue to the department of administration for payment by
10 check, share draft, or other draft drawn from the appropriation under s. 20.835 (2)
11 (dz).

12 **SECTION 1j.** 71.07 (3g) (c) of the statutes is amended to read:

13 71.07 **(3g)** (c) Section 71.28 (4) ~~(e), (f), (g), and (h)~~, as it applies to the credit
14 under s. 71.28 (4), applies to the credit under par. (a). For taxable years beginning
15 before January 1, 2006, s. 71.28 (4) (e) and (f), as it applies to the credit under s. 71.28
16 (4), applies to the credit under par. (a).

17 **SECTION 1m.** 71.07 (3s) (c) 1. of the statutes is amended to read:

18 71.07 **(3s)** (c) 1. The credit under par. (b), including any credits carried over,
19 may be offset only against the amount of the tax imposed upon or measured by the
20 business operations of the claimant in which the fuel and electricity are consumed.
21 If the credit computed is not entirely offset against taxes otherwise due, the unused
22 balance shall be carried forward and credited against taxes otherwise due for the
23 following ~~15~~ 20 taxable years to the extent not offset by taxes otherwise due in all
24 intervening years between the year in which the expense was incurred and the year
25 in which the carry-forward credit is claimed.

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1 **SECTION 1n.** 71.10 (3) (ac) of the statutes is repealed.

2 **SECTION 1p.** 71.10 (4) (gg) of the statutes is repealed.

3 **SECTION 1q.** 71.10 (4) (grb) of the statutes is repealed.

4 **SECTION 1r.** 71.10 (4) (grd) of the statutes is repealed.

5 **SECTION 1s.** 71.10 (4) (gu) of the statutes is repealed.

6 **SECTION 1t.** 71.10 (4) (i) of the statutes is amended to read:

7 71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland
8 preservation credit under subch. IX, homestead credit under subch. VIII,
9 development zones investment credit under s. 71.07 (2di), development zone capital
10 investment credit under s. 71.07 (2dm), development zones credit under s. 71.07
11 (2dx), technology zones credit under s. 71.07 (3g), farmland tax relief credit under s.
12 71.07 (3m), farmers' drought property tax credit under s. 71.07 (2fd), earned income
13 tax credit under s. 71.07 (9e), estimated tax payments under s. 71.09, and taxes
14 withheld under subch. X.

15 **SECTION 2b.** 71.28 (1di) (c) of the statutes is amended to read:

16 71.28 (1di) (c) Except as provided in par. (b) 2., the for taxable years beginning
17 before January 1, 2006, the carry-over provisions of sub. (4) (e) and (f) as they relate
18 to the credit under that subsection relate to the credit under this subsection and
19 apply as if the development zone continued to exist.

20 **SECTION 2c.** 71.28 (1di) (gm) of the statutes is created to read:

21 71.28 (1di) (gm) For credits computed based on amounts paid or incurred in
22 taxable years beginning after December 31, 2005, if the allowable amount of the
23 claim under this subsection exceeds the income taxes otherwise due on the claimant's
24 income, the amount of the claim that is not used to offset those taxes shall be certified
25 by the department of revenue to the department of administration for payment by

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1 check, share draft, or other draft drawn from the appropriation under s. 20.835 (2)
2 (dz).

3 **SECTION 2d.** 71.28 (1dm) (gm) of the statutes is created to read:

4 71.28 **(1dm)** (gm) For credits computed based on amounts paid or incurred in
5 taxable years beginning after December 31, 2005, if the allowable amount of the
6 claim under this subsection exceeds the income taxes otherwise due on the claimant's
7 income, the amount of the claim that is not used to offset those taxes shall be certified
8 by the department of revenue to the department of administration for payment by
9 check, share draft, or other draft drawn from the appropriation under s. 20.835 (2)
10 (dz).

11 **SECTION 2e.** 71.28 (1dm) (h) of the statutes is amended to read:

12 71.28 **(1dm)** (h) The For taxable years beginning before January 1, 2006, the
13 carry-over provisions of sub. (4) (e) and (f) as they relate to the credit under sub. (4)
14 relate to the credit under this subsection.

15 **SECTION 2f.** 71.28 (1dx) (dm) of the statutes is created to read:

16 71.28 **(1dx)** (dm) *Refunds.* For credits computed based on amounts paid or
17 incurred in taxable years beginning after December 31, 2005, if the allowable
18 amount of the claim under this subsection exceeds the income taxes otherwise due
19 on the claimant's income, the amount of the claim that is not used to offset those taxes
20 shall be certified by the department of revenue to the department of administration
21 for payment by check, share draft, or other draft drawn from the appropriation under
22 s. 20.835 (2) (dz).

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

24 71.28 **(1dx)** (e) *Administration.* Subsection (4) ~~(e) to (g)~~ and (h), as it applies
25 to the credit under sub. (4), applies to the credit under this subsection. For taxable

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1 years beginning after January 1, 2006, sub. (4) (e) and (f), as it applies to the credit
2 under sub. (4), applies to the credit under this subsection. Subsection (1dj) (c), as it
3 applies to the credit under sub. (1dj), applies to the credit under this subsection.
4 Claimants shall include with their returns a copy of their certification for tax benefits
5 and a copy of the department of commerce's verification of their expenses.

6 **SECTION 2h.** 71.28 (3) (c) 1. of the statutes is amended to read:

7 71.28 (3) (c) 1. If the credit computed under par. (b) is not entirely offset against
8 Wisconsin income or franchise taxes otherwise due, the unused balance shall be
9 carried forward and credited against Wisconsin income or franchise taxes otherwise
10 due for the following ~~15~~ 20 taxable years to the extent not offset by these taxes
11 otherwise due in all intervening years between the year in which the expense was
12 incurred and the year in which the carry-forward credit is claimed.

13 **SECTION 2i.** 71.28 (3g) (bm) of the statutes is created to read:

14 71.28 (3g) (bm) For credits computed based on amounts paid or incurred in
15 taxable years beginning after December 31, 2005, if the allowable amount of the
16 claim under this subsection exceeds the income taxes otherwise due on the claimant's
17 income, the amount of the claim that is not used to offset those taxes shall be certified
18 by the department of revenue to the department of administration for payment by
19 check, share draft, or other draft drawn from the appropriation under s. 20.835 (2)
20 (dz).

21 **SECTION 2j.** 71.28 (3g) (c) of the statutes is amended to read:

22 71.28 (3g) (c) Subsection (4) ~~(e), (f), (g), and (h),~~ as it applies to the credit under
23 sub. (4), applies to the credit under par. (a). For taxable years beginning before
24 January 1, 2006, sub. (4) (e) and (f), as it applies to the credit under sub. (4), applies
25 to the credit under par. (a).

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1 **SECTION 2k.** 71.30 (3) (eg) of the statutes is repealed.

2 **SECTION 2L.** 71.30 (3) (emb) of the statutes is repealed.

3 **SECTION 2m.** 71.30 (3) (eom) of the statutes is repealed.

4 **SECTION 2n.** 71.30 (3) (eon) of the statutes is repealed.

5 **SECTION 2p.** 71.30 (3) (f) of the statutes is amended to read:

6 71.30 **(3)** (f) The total of development zones investment credit under s. 71.28
7 (1di), development zone capital investment credit under s. 71.28 (1dm), development
8 zones credit under s. 71.28 (1dx), farmers' drought property tax credit under s. 71.28
9 (1fd), farmland preservation credit under subch. IX, farmland tax relief credit under
10 s. 71.28 (2m), technology zones credit under s. 71.28 (3g), and estimated tax
11 payments under s. 71.29.

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

13 71.47 **(1di)** (c) Except as provided in par. (b) 2., the for taxable years beginning
14 before January 1, 2006, the carry-over provisions of sub. (4) (e) and (f) as they relate
15 to the credit under that subsection relate to the credit under this subsection and
16 apply as if the development zone continued to exist.

17 **SECTION 3c.** 71.47 (1di) (gm) of the statutes is created to read:

18 71.47 **(1di)** (gm) For credits computed based on amounts paid or incurred in
19 taxable years beginning after December 31, 2005, if the allowable amount of the
20 claim under this subsection exceeds the income taxes otherwise due on the claimant's
21 income, the amount of the claim that is not used to offset those taxes shall be certified
22 by the department of revenue to the department of administration for payment by
23 check, share draft, or other draft drawn from the appropriation under s. 20.835 (2)
24 (dz).

25 **SECTION 3d.** 71.47 (1dm) (gm) of the statutes is created to read:

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1 71.47 (1dm) (gm) For credits computed based on amounts paid or incurred in
2 taxable years beginning after December 31, 2005, if the allowable amount of the
3 claim under this subsection exceeds the income taxes otherwise due on the claimant's
4 income, the amount of the claim that is not used to offset those taxes shall be certified
5 by the department of revenue to the department of administration for payment by
6 check, share draft, or other draft drawn from the appropriation under s. 20.835 (2)
7 (dz).

8 **SECTION 3e.** 71.47 (1dm) (h) of the statutes is amended to read:

9 71.47 (1dm) (h) The For taxable years beginning before January 1, 2006, the
10 carry-over provisions of s. 71.28 (4) (e) and (f) as they relate to the credit under s.
11 71.28 (4) relate to the credit under this subsection.

12 **SECTION 3f.** 71.47 (1dx) (dm) of the statutes is created to read:

13 71.47 (1dx) (dm) *Refunds.* For credits computed based on amounts paid or
14 incurred in taxable years beginning after December 31, 2005, if the allowable
15 amount of the claim under this subsection exceeds the income taxes otherwise due
16 on the claimant's income, the amount of the claim that is not used to offset those taxes
17 shall be certified by the department of revenue to the department of administration
18 for payment by check, share draft, or other draft drawn from the appropriation under
19 s. 20.835 (2) (dz).

20 **SECTION 3g.** 71.47 (1dx) (e) of the statutes is amended to read:

21 71.47 (1dx) (e) *Administration.* Section 71.28 (4) ~~(e) to (g) and (h)~~, as it applies
22 to the credit under s. 71.28 (4), applies to the credit under this subsection. For
23 taxable years beginning before January 1, 2006, s. 71.28 (4) (e) and (f), as it applies
24 to the credit under s. 71.28 (4), applies to the credit under this subsection. Subsection
25 (1dj) (c), as it applies to the credit under sub. (1dj), applies to the credit under this

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1 subsection. Claimants shall include with their returns a copy of their certification for
2 tax benefits and a copy of the department of commerce's verification of their
3 expenses.

4 **SECTION 3h.** 71.47 (3) (c) 1. of the statutes is amended to read:

5 71.47 (3) (c) 1. If the credit computed under par. (b) is not entirely offset against
6 Wisconsin income or franchise taxes otherwise due, the unused balance shall be
7 carried forward and credited against Wisconsin income or franchise taxes otherwise
8 due for the following 15 20 taxable years to the extent not offset by these taxes
9 otherwise due in all intervening years between the year in which the expense was
10 incurred and the year in which the carry-forward credit is claimed.

11 **SECTION 3i.** 71.47 (3g) (bm) of the statutes is created to read:

12 71.47 (3g) (bm) For credits computed based on amounts paid or incurred in
13 taxable years beginning after December 31, 2005, if the allowable amount of the
14 claim under this subsection exceeds the income taxes otherwise due on the claimant's
15 income, the amount of the claim that is not used to offset those taxes shall be certified
16 by the department of revenue to the department of administration for payment by
17 check, share draft, or other draft drawn from the appropriation under s. 20.835 (2)
18 (dz).

19 **SECTION 3j.** 71.47 (3g) (c) of the statutes is amended to read:

20 71.47 (3g) (c) Section 71.28 (4) (e), (f), (g), and (h), as it applies to the credit
21 under s. 71.28 (4), applies to the credit under par. (a). For taxable years beginning
22 before January 1, 2006, s. 71.28 (4) (e) and (f), as it applies to the credit under s. 71.28
23 (4), applies to the credit under par. (a).

24 **SECTION 3k.** 71.49 (1) (eg) of the statutes is repealed.

25 **SECTION 3L.** 71.49 (1) (emb) of the statutes is repealed.

