

BILL HISTORY FOR ASSEMBLY BILL 508 (LRB -2684)

An Act to amend 71.07 (3s) (c) 1., 71.28 (3) (c) 1. and 71.47 (3) (c) 1. 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. (FE)

2003

09-11. A. Introduced by Representatives Wieckert, F. Lasee, Nischke, Ziegelbauer, Hines, Ainsworth, Gronemus, Seratti, Bies, Gunderson, Van Roy, McCormick, Montgomery, Gard and Krawczyk; cosponsored by Senators Welch, Lassa, Reynolds, Leibham, Stepp, Roessler, Darling, Ellis, Hansen and Breske.

09-11. A. Read first time and referred to committee on Economic Development 355

09-18. A. Withdrawn from committee on Economic Development and referred to joint committee on Finance pursuant to Assembly Rule 42 (3)(c) 363

10-01. A. Fiscal estimate received.

10-16. A. Executive action taken.

10-16. A. Assembly amendment 1 offered by joint committee on Finance (LRB a1171) 436

10-27. A. Report Assembly Amendment 1 adoption recommended by joint committee on Finance, Ayes 11, Noes 4 462

10-27. A. Report passage as amended recommended by joint committee on Finance, Ayes 11, Noes 4 462

10-27. A. Referred to committee on Rules 462

11-06. A. Placed on calendar 11-12-2003 by committee on Rules.

11-12. A. Representative J. Wood added as a coauthor 533

11-12. A. Read a second time 529

11-12. A. Assembly amendment 1 adopted 529

11-12. A. Ordered to a third reading 529

11-12. A. Rules suspended 529

11-12. A. Read a third time and passed, Ayes 73, Noes 23 529

11-12. A. Ordered immediately messaged 529

11-13. S. Received from Assembly 483

11-13. S. Read first time and referred to committee on Economic Development, Job Creation and Housing 485

2004

01-13. S. Public hearing held.

01-13. S. Executive action taken.

01-14. S. Report concurrence recommended by committee on Economic Development, Job Creation and Housing, Ayes 4, Noes 1 537

01-14. S. Available for scheduling.

02-02. S. Placed on calendar 2-3-2004 by committee on Senate Organization.

02-03. S. Read a second time 591

02-03. S. Senate amendment 1 offered by Senators Erpenbach, Carpenter and Moore (LRB a2088) . 591

02-03. S. Senate amendment 1 rejected, Ayes 19, Noes 14 591

02-03. S. Ordered to a third reading 591

02-03. S. Rules suspended 591

02-03. S. Senator A. Lasee added as a cosponsor 591

02-03. S. Senator Panzer added as a cosponsor 591

02-03. S. Read a third time and concurred in, Ayes 23, Noes 10 591

02-03. S. Ordered immediately messaged 591

02-03. A. Received from Senate concurred in 673

2003
ENROLLED BILL

03enr B-508

ADOPTED DOCUMENTS:

Orig Engr SubAmdt

03-26841-2

Amendments to above (if none, write "NONE"): AA 1

Corrections - show date (if none, write "NONE"): None

CCC - 2/6/2004

Topic Army Bill

2/6/04 Pete Ryan
Date Enrolling Drafter

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2003 ASSEMBLY BILL 508

September 11, 2003 - Introduced by Representatives WIECKERT, F. LASEE, NISCHKE, ZIEGELBAUER, HINES, AINSWORTH, GRONEMUS, SERATTI, BIES, GUNDERSON, VAN ROY, McCORMICK, MONTGOMERY, GARD and KRAWCZYK, cosponsored by Senators WELCH, LASSA, REYNOLDS, LEIBHAM, STEPP, ROESSLER, DARLING, ELLIS, HANSEN and BRESKE. Referred to Committee on Economic Development.

1 AN ACT *to amend* 71.07 (3s) (c) 1., 71.28 (3) (c) 1. and 71.47 (3) (c) 1. of the
2 statutes; **relating to:** the income and franchise tax credit for sales tax and use
3 tax paid on fuel and electricity consumed in manufacturing. 1-3

Analysis by the Legislative Reference Bureau

Under current law, a manufacturer may claim an income or franchise tax credit in an amount that is equal to the sales tax and the use tax that the manufacturer paid on fuel and electricity used for manufacturing tangible property in this state. If the credit claimed by a manufacturer exceeds the manufacturer's tax liability in the taxable year, the manufacturer may carry forward any remaining credit to the following 15 taxable years. Under this bill, if the credit claimed by a manufacturer exceeds the manufacturer's tax liability in the taxable year, the manufacturer may carry forward any remaining credit to the following 20 taxable years.

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

1-4
The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

4 SECTION 7. 71.07 (3s) (c) 1. of the statutes is amended to read:
5 71.07 (3s) (c) 1. The credit under par. (b), including any credits carried over,
6 may be offset only against the amount of the tax imposed upon or measured by the

ASSEMBLY BILL 508

2-6 ✓

SECTION 1

1 business operations of the claimant in which the fuel and electricity are consumed.
 2 If the credit computed is not entirely offset against taxes otherwise due, the unused
 3 balance shall be carried forward and credited against taxes otherwise due for the
 4 following ~~15~~ 20 taxable years to the extent not offset by taxes otherwise due in all
 5 intervening years between the year in which the expense was incurred and the year
 6 in which the carry-forward credit is claimed.

2k. ✓

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

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

3k. ✓

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

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

2-13 ✓

SECTION 4. Initial applicability.

2-22 ✓

22 (1) This act first applies, for corporations and insurance companies, to credits
 23 computed for taxable years beginning on January 1, 1988, and, for individuals,

2-20 ✓

ASSEMBLY BILL 508

1 tax-option corporations, partnerships, and limited liability companies, to credits
2 computed for taxable years beginning on January 1, 1998.

3

(END)

A large handwritten arrow originates from the left side of the page and points towards the word "(END)". Below the arrow, the handwritten text "3-2" is written, with a checkmark symbol above the number "3".

**ASSEMBLY AMENDMENT 1,
TO 2003 ASSEMBLY BILL 508**

October 16, 2003 – Offered by JOINT COMMITTEE ON FINANCE.

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

2 ✓ 1. Page 1, line 3: after “manufacturing” insert “, allowing refunds for claiming
3 the development zones capital investment tax credit, development zones credit,
4 development opportunity zones credit, technology zones credit and making an
5 appropriation.”

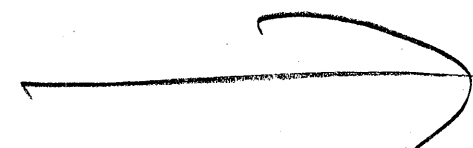
6 ✓ 2. Page 1, line 4: before that line insert:

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

8 20.835 (2) (dz) *Development zones and technology zones credits.* A sum
9 sufficient to make the payments under ss. 71.07 (2di) (gm), (2dm) (gm), (2dx) (dm),
10 and (3g) (bm), 71.28 (1di) (gm), (1dm) (gm), (1dx) (dm), and (3g) (bm), and 71.47 (1di)
11 (gm), (1dm) (gm), (1dx) (dm), and (3g) (bm).

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

✓ 1-4



1-4-
cont

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

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

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

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

14 71.07 (2dm) (gm) 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 1f.** 71.07 (2dm) (h) of the statutes is amended to read:

22 71.07 (2dm) (h) The For taxable years beginning before January 1, 2006, the
23 carry-over provisions of s. 71.28 (4) (e) and (f) as they relate to the credit under s.
24 71.28 (4) relate to the credit under this subsection.

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

1-4 cer

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


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

9 71.07 (2dx) (e) *Administration*. Section 71.28 (4) ~~(e) to (g) and (h)~~, as it applies
10 to the credit under s. 71.28 (4), applies to the credit under this subsection. For
11 taxable years beginning before January 1, 2006, s. 71.28 (4) (e) and (f), as it applies
12 to the credit under s. 71.28 (4), applies to the credit under this subsection. Subsection
13 (2dj) (c), as it applies to the credit under sub. (2dj), applies to the credit under this
14 subsection. Claimants shall include with their returns a copy of their certification for
15 tax benefits and a copy of the department of commerce's verification of their
16 expenses.

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

18 71.07 (3g) (bm) 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 1j.** 71.07 (3g) (c) of the statutes is amended to read:



1-4 cont

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

5 ✓ 3. Page 1, line 4: delete "SECTION 1" and substitute "SECTION 1m".

6 ✓ 4. Page 2, line 6: after that line insert:

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

8 ✓ SECTION 1p. 71.10 (4) (gg) of the statutes is repealed.

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

10 2-6 SECTION 1r. 71.10 (4) (grd) of the statutes is repealed.

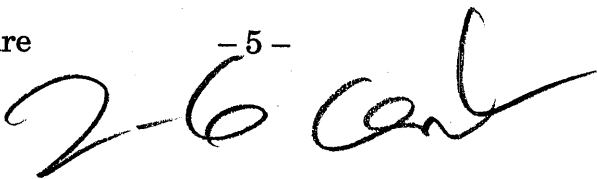
11 SECTION 1s. 71.10 (4) (gu) of the statutes is repealed.

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

13 71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland
 14 preservation credit under subch. IX, homestead credit under subch. VIII,
 15 development zones investment credit under s. 71.07 (2di), development zone capital
 16 investment credit under s. 71.07 (2dm), development zones credit under s. 71.07
 17 (2dx), technology zones credit under s. 71.07 (3g), farmland tax relief credit under s.
 18 71.07 (3m), farmers' drought property tax credit under s. 71.07 (2fd), earned income
 19 tax credit under s. 71.07 (9e), estimated tax payments under s. 71.09, and taxes
 20 withheld under subch. X.

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

22 71.28 (1di) (c) Except as provided in par. (b) 2., the for taxable years beginning
 23 before January 1, 2006, the carry-over provisions of sub. (4) (e) and (f) as they relate



1 to the credit under that subsection relate to the credit under this subsection and
2 apply as if the development zone continued to exist.

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

4 71.28 (1di) (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 2d.** 71.28 (1dm) (gm) of the statutes is created to read:

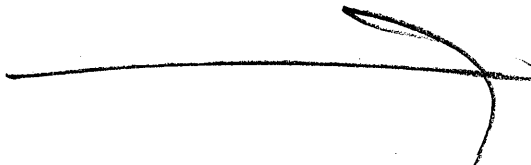
12 71.28 (1dm) (gm) For credits computed based on amounts paid or incurred in
13 taxable years beginning after December 31, 2005, if the allowable amount of the
14 claim under this subsection exceeds the income taxes otherwise due on the claimant's
15 income, the amount of the claim that is not used 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 2e.** 71.28 (1dm) (h) of the statutes is amended to read:

20 71.28 (1dm) (h) The For taxable years beginning before January 1, 2006, the
21 carry-over provisions of sub. (4) (e) and (f) as they relate to the credit under sub. (4)
22 relate to the credit under this subsection.

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

24 71.28 (1dx) (dm) *Refunds.* For credits computed based on amounts paid or
25 incurred in taxable years beginning after December 31, 2005, if the allowable



2-6 cont

1 amount of the claim under this subsection exceeds the income taxes otherwise due
2 on the claimant's income, the amount of the claim that is not used to offset those taxes
3 shall be certified by the department of revenue to the department of administration
4 for payment by check, share draft, or other draft drawn from the appropriation under
5 s. 20.835 (2) (dz).

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

7 71.28 (1dx) (e) *Administration.* Subsection (4) ~~(e) to (g) and (h)~~, as it applies
8 to the credit under sub. (4), applies to the credit under this subsection. For taxable
9 years beginning after January 1, 2006, sub. (4) (e) and (f), as it applies to the credit
10 under sub. (4), applies to the credit under this subsection. Subsection (1dj) (c), as it
11 applies to the credit under sub. (1dj), applies to the credit under this subsection.
12 Claimants shall include with their returns a copy of their certification for tax benefits
13 and a copy of the department of commerce's verification of their expenses.

14 ✓ **5.** Page 2, line 7: delete "SECTION 2" and substitute "SECTION 2h".

15 ✓ **6.** Page 2, line 13: after that line insert:

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

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

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

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

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

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

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

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

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

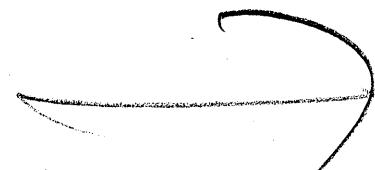
10 71.30 (3) (f) The total of development zones investment credit under s. 71.28
11 (1di), development zone capital investment credit under s. 71.28 (1dm), development
12 zones credit under s. 71.28 (1dx), farmers' drought property tax credit under s. 71.28
13 (1fd), farmland preservation credit under subch. IX, farmland tax relief credit under
14 s. 71.28 (2m), technology zones credit under s. 71.28 (3g), and estimated tax
15 payments under s. 71.29.

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

17 71.47 (1di) (c) Except as provided in par. (b) 2., the for taxable years beginning
18 before January 1, 2006, the carry-over provisions of sub. (4) (e) and (f) as they relate
19 to the credit under that subsection relate to the credit under this subsection and
20 apply as if the development zone continued to exist.

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

22 71.47 (1di) (gm) For credits computed based on amounts paid or incurred in
23 taxable years beginning after December 31, 2005, if the allowable amount of the
24 claim under this subsection exceeds the income taxes otherwise due on the claimant's
25 income, the amount of the claim that is not used to offset those taxes shall be certified



2-13 cont

1 by the department of revenue to the department of administration for payment by
2 check, share draft, or other draft drawn from the appropriation under s. 20.835 (2)
3 (dz).

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

5 71.47 (1dm) (gm) 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 3e.** 71.47 (1dm) (h) of the statutes is amended to read:

13 71.47 (1dm) (h) The For taxable years beginning before January 1, 2006, the
14 carry-over provisions of s. 71.28 (4) (e) and (f) as they relate to the credit under s.
15 71.28 (4) relate to the credit under this subsection.

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

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

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

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cont

1 71.47 (1dx) (e) *Administration*. Section 71.28 (4) (e) to (g) and (h), as it applies
 2 to the credit under s. 71.28 (4), applies to the credit under this subsection. For
 3 taxable years beginning before January 1, 2006, s. 71.28 (4) (e) and (f), as it applies
 4 to the credit under s. 71.28 (4), applies to the credit under this subsection. Subsection
 5 (1dj) (c), as it applies to the credit under sub. (1dj), applies to the credit under this
 6 subsection. Claimants shall include with their returns a copy of their certification for
 7 tax benefits and a copy of the department of commerce's verification of their
 8 expenses.

9 ✓ 7. Page 2, line 14: delete "SECTION 3" and substitute "SECTION 3h".

10 ✓ 8. Page 2, line 20: after that line insert:

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

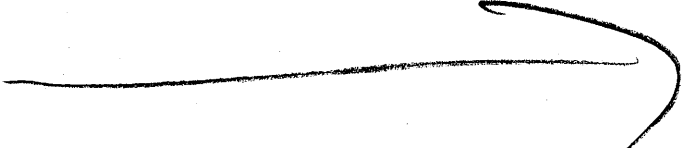
12 71.47 (3g) (bm) For credits computed based on amounts paid or incurred in
 13 taxable years beginning after December 31, 2005, if the allowable amount of the
 14 claim under this subsection exceeds the income taxes otherwise due on the claimant's
 15 income, the amount of the claim that is not used 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.

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2-20 cert

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

2 SECTION 3m. 71.49 (1) (eom) of the statutes is repealed.

3 SECTION 3n. 71.49 (1) (eon) of the statutes is repealed.

4 SECTION 3p. 71.49 (1) (f) of the statutes is amended to read:

5 71.49 (1) (f) The total of development zones investment credit under s. 71.47
6 (1di), development zone capital investment credit under s. 71.47 (1dm), development
7 zones credit under s. 71.47 (1dx), farmers' drought property tax credit under s. 71.47
8 (1fd), farmland preservation credit under subch. IX, farmland tax relief credit under
9 s. 71.47 (2m), technology zones credit under s. 71.47 (3g), and estimated tax
10 payments under s. 71.48.

11 ✓ 9. Page 2, line 22: delete "This act" and substitute "The treatment of sections
12 71.07 (3s) (c) 1., 71.28 (3) (c) 1., and 71.47 (3) (c) 1. of the statutes".

13 10. Page 3, line 2: after that line insert:

14 (1m) The treatment of sections 71.10 (3) (ac) and (4) (gg), (grb), (grd), (gn), and
15 (i), 71.30 (3) (eg), (emb), (eom), (eon), and (f), and 71.49 (1) (eg), (emb), (eom), (eon),
16 and (f) of the statutes first applies to taxable years beginning on January 1, 2006."

17

(END)