

2003 WISCONSIN ACT 267

(Vetoed in Part)

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

Vetoed
In Part

Vetoed
In Part

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

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

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

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

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

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

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

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

71.07 (2dm) (gm) For credits computed based on amounts paid or incurred in taxable years beginning after December 31, 2005, if the allowable amount of the claim under this subsection exceeds the income taxes otherwise

Vetoed
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* Section 991.11, WISCONSIN STATUTES 2001-02 : Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication as designated" by the secretary of state [the date of publication may not be more than 10 working days after the date of enactment].

**Vetoed
In Part**

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

**Vetoed
In Part**

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

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

**Vetoed
In Part**

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

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

**Vetoed
In Part**

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

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

**Vetoed
In Part**

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

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

**Vetoed
In Part**

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

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

credit under s. 71.28 (4), applies to the credit under par. (a). **Vetoed
In Part**

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

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

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

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

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

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

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

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

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

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

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

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

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

draft drawn from the appropriation under s. 20.835 (2) (dz).

Vetoed
In Part

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

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

Vetoed
In Part

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

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

Vetoed
In Part

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

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

Vetoed
In Part

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

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

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

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

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

Vetoed
In Part

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

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

Vetoed
In Part

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

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

Vetoed
In Part

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

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

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

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

Vetoed
In Part

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

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

Vetoed
In Part

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

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

Vetoed
In Part

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

Vetoed
In Part

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

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

Vetoed
In Part

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

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

Vetoed
In Part

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

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

Vetoed
In Part

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

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

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

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

which the expense was incurred and the year in which the carry-forward credit is claimed.

Vetoed
In Part

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

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

Vetoed
In Part

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

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

Vetoed
In Part

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

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

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

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

Vetoed
In Part

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

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

SECTION 4. Initial applicability.

(1) The treatment of sections 71.07 (3s) (c) 1., 71.28 (3) (c) 1., and 71.47 (3) (c) 1. of the statutes first applies, for corporations and insurance companies, to credits computed for taxable years beginning on January 1, 1988, and, for individuals, tax-option corporations, partnerships, and limited liability companies, to credits computed for taxable years beginning on January 1, 1998.

Vetoed
In Part

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