AB299

Halverson, Vicky

From: Emerson, Anne
Sent: Tuesday, May 27, 2003 2:56 PM
To: Halverson, Vicky
Subject: RE:

Understandable. I know it's difficult to schedule anything with the budget and caucuses. We've been holding off on scheduling anything ourselves. When I talked to Bob Karius last week it sounded like they may be in session the last week in June and the main theme might be the economy. If that is the case, AB 299 would be a nice addition for that session day. So if you do hold a hearing before the end of June, we would appreciate it if you would consider our bill.

Mainly I just wanted to give you a heads up that an amendment would be coming. It was another suggestion from Revenue that they made to Harsdorf's office when they were drafting the Senate version. Our main goal with this bill is to get it passed and hopefully signed by the governor before the end of the tax year to allow Revenue enough time to make changes on their forms.

If you have any questions regarding anything, feel free to contact me.

Thanks!
Anne

-----Original Message-----
From: Halverson, Vicky
Sent: Tuesday, May 27, 2003 1:18 PM
To: Emerson, Anne
Subject:

Hi Anne:

Got your message. That will be fine. Mickey's planning to hold a P.H. on the bill, most likely at our next meeting. However, looks like that might not be until July.

Vicky

Memorandum

To: **Assembly Ways & Means Committee Members**

From: **Senator Julie Lassa**

Date: **06/10/2003**

Re: **Assembly Bill 299 relating to technology zone credits**

As an author of Assembly Bill 299, I am writing to register my full support for this legislation, as it will improve the state's existing technology zone tax credit.

The technology zone tax credit was established to encourage new or expanding high tech businesses to come to Wisconsin and encourage job growth. In today's economy, this vision is extremely important.

Under current law, all for-profit business entities are eligible to receive the technology zone tax credit, but there is an inequity in the manner that the Department of Commerce allocates the tax credits to other types of businesses, such as limited liability corporations and S corporations. The Department of Commerce uses projected income, sales and property taxes paid by the business to determine eligibility for technology zone credits. Because LLC's and S corporations pass along their income to shareholders and partners and pay no income tax, they are not eligible for the technology zone credit.

Dental Crafters in Marshfield was one of the first companies to get a tax credit through the technology zone program and is set to open a new facility in September 2003. Dental Crafters had difficulties applying for and receiving the tax credit because its two owners, and not the company, pay its income tax. Because of this, their application was delayed and caused them much needless frustration. This legislation will close the loophole in current law, help both small and large businesses in Wisconsin and stimulate our state's economy.

MOMENTUM
CHIPPEWA VALLEY

June 10, 2003

Representative Scott Suder
69th Assembly District
P.O. Box 8953
Madison, WI 54708

Dear Representative Suder;

On behalf of the Momentum Chippewa Valley membership and leadership, please accept this letter of support for the Technology Zone Fix (AB299) legislation. Momentum Chippewa Valley was integral in developing the application for the I-94 Corridor Technology Development Zone, and this legislation is critical to our ability to maximize the full benefits of that designation.

Your legislation corrects current law to include businesses that were originally intended by the Legislature to be eligible for the Technology Zone tax credits. Under current law partnerships, limited liability companies, and tax-option corporations are excluded because they do not directly pay income or franchise taxes to the state government, but instead, pass their tax liability on to their partners, members and shareholders who report the income received from such entities. Current law governing the Technology Zone tax credits makes these business entities ineligible for the tax credits. This is not the original intent of the Technology Zone legislation.

The I-94 Corridor Technology Development Zone has many of these types of businesses. They are active in the development and dissemination of vital technology that will fuel our continued growth and development. It is critical that this legislation be passed so that they may remain actively engaged in our economic development efforts.

Thank you for recognizing this critical error in the original legislation and for taking proactive steps to correct it. We urge the passage of the Technology Zone Fix (AB299) legislation. Thank you for your continued efforts to sustain a viable and healthy Wisconsin economy.

Sincerely,

Darcy Way, Director

Wisconsin's B.E.S.T.
Business Education Service Technology Tourism
620 West Clairemont Ave. CVTC Room 32 Eau Claire WI 54701 6162
Phone. 715 833 5276 Toll Free.1-800-460-0215 Fax.715 833 6470
Email: info@chippewavalley.org Internet: www.chippewavalley.org

Marshfield Area
Chamber of Commerce & Industry
P.O. Box 868
700 S. Central Avenue
Marshfield, WI 54449

MARSHFIELD
The City In the Center

Barbara Fleisner
Executive Director
715/384-3454
FAX 715/387-8925
E-mail:
barbfleisner@marshfieldchamber.com
Web:
www.marshfieldchamber.com

June 10, 2003

Wisconsin State Legislature
Madison, WI 54449

I am writing in support of Assembly Bill 299 relating to the technology zone tax credit. Unfortunately I will not be able to testify in person due to one of our son's being in the hospital. However, please accept this letter in my behalf.

We have submitted two tech zone applications to the Wisconsin Department of Commerce for underwriting. These applications were unanimously approved by our local Tech Zone Council. However, both of these companies are "S" corps, which allows income tax to be passed through to their personal income tax statements.

Both of these companies are creating well paying jobs, adding on physical space, and bringing new technology to our area. The current law does not allow the income tax liability to be calculated into the formula, thus capping the amount of tech zone credits that can be claimed.

I would be happy to address any questions or comments you may have regarding our applications and support for Assembly Bill 299.

Respectfully,

Barb Fleisner

Barb Fleisner
Executive Director

Wisconsin Department of Revenue
Division of Research and Policy
June 10, 2003

TECHNOLOGY ZONE CREDIT ALTERNATIVE

The current law technology zone credit, based on a portion of the sales and use, income and franchise, and property taxes paid by a business, is structurally flawed. Pass-through entities do not have income tax liability at the entity level to factor into the credit calculation, reducing the amount of credit that flows through to owners. Most regular corporations in the state do not have income tax liability and therefore could receive no benefit from the credit because they have no tax liability to offset, regardless of the amount of sales or property tax that are part of the credit calculation. Even corporations with income tax liability in the first year of the program often would not have income tax liability to use in the credit calculation in the second and third year of eligibility because the credit they receive eliminates their income tax liability.

The proposal in AB 299 to treat pass-through entities as corporations for purposes of determining the income tax portion of the credit manufactures an imaginary income tax amount that businesses have not paid to use in the credit calculation. This distorts the basic concept of the credit as based on taxes paid by the businesses and creates a complicated administrative burden for businesses.

This paper presents an alternative to the current technology zone credit based on investments made by businesses located in a zone. This credit would provide an incentive directly related to an activity that the state wishes to encourage. The alternative piggybacks on the existing development zone investment credit and development zone capital investment credit:

- The development zone investment credit is available for 2.5% of the purchase price of depreciable tangible personal property, or 1.75% of the price if property that is expensed under sec. 179 of the Internal Revenue Code.

- The development zone capital investment credit is 3% of the purchase price of depreciable personal property and amounts expended to acquire, construct, rehabilitate, remodel or repair real property.

The Department of Revenue (DOR) proposes using the development zone investment credits for technology zones rather than the current technology zone credit based on taxes paid by the businesses. The investment credit rate could be set by statute at the level the Department of Commerce believes is appropriate to provide the same level of incentive as is available under the current credit program, subject to the $5 million cap in each zone. The credits could be refundable or nonrefundable; each method has advantages and disadvantages.

With a refundable credit, all business entities eligible for the credit and certified by Commerce would receive benefit from the program, regardless of their form of organization. Businesses would receive the financial incentive each year when they file their income tax returns. However, a refundable credit would require an annual appropriation, which means it is an expenditure subject to alteration by future legislatures. Businesses enrolled in the program would likely have some contractual security in their existing contracts with Commerce if the law were changed at a later time.

With a nonrefundable credit, pass-through entities would get the same benefit as intended under AB 299; credits would flow through to offset the personal income tax liability of the owners. Most regular corporations would likely still not receive benefit from the program. Unused credits could be carried forward for 15 years, as under current law, to offset tax liability in the future, but would not provide financial assistance or development incentive to a corporation at the present time.

22. Of the two alternatives, DOR prefers the nonrefundable credit because it provides the same benefit intended under AB 299.
Sec. Morgan has no strong feelings on this

PW:skr
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71.28 (3g) Technology zones credit.

(a) Subject to the limitations under this subsection and ss. 73.03 (35m) and 560.96, a business that is certified under s. 560.96 (3) may claim as a credit against the taxes imposed under s. 71.23 an amount equal to the sum of the following, as established under s. 560.96 (3):

1. The amount of real and personal property taxes imposed under s.70.01 that the business paid in the taxable year.

2. The amount of sales and use taxes imposed under ss. 77.52, 77.53, and 77.71 that the business paid in the taxable year.

(b) The department of revenue shall notify the department of commerce of all claims under this subsection.

(c) Subsection (4) (e), (f), (g) and (h), as it applies to the credit under sub. (4), applies to the credit under par. (a).

(d) Partnerships, limited liability companies, and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit are based on their payment of amounts under par. (a). A partnership, limited liability company, or tax-option corporation shall compute the amount of credit that each of its partners, members, or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interest.

71.28 (3m) Technology zone capital investment credit.

(a) In this subsection:

1. "Certified" means entitled under s. 560.96 (3) to claim tax benefits
2. "Claimant" means a person who files a claim under this subsection.
3. "Technology zone" means a technology zone under 560.96 (3).
4. "Previously owned property" means real property that the claimant or a related person owned during the 2 years prior to the department of commerce designating the place where the property is located as a technology zone and for which the claimant may not deduct a loss from the sale of the property to, or an exchange of the property with, the related person under section 267 of the Internal Revenue Code, except that section 267 (b) of the Internal Revenue Code is modified so that if the claimant owns any part of the property, rather than 50% ownership, the claimant is subject to section 267 (a) (1) of the Internal Revenue Code for purposes of this subsection.

(b) Subject to the limitations provided in this subsection and in s. 73.03 (35), for any taxable year for which the claimant is certified, a claimant may claim as a credit against the taxes imposed under s. 71.23 an amount that is equal to 10% of the following:

1. The purchase price of depreciable, tangible personal property.

2. The amount expended to acquire, construct, rehabilitate, remodel, or repair real property in a technology zone.

(c) A claimant may claim the credit under par. (b) 1, if the tangible personal property is purchased after the claimant is certified and the personal property is used for at least 50% of its use in the claimant's business at a location in a technology zone or, if the property is mobile, the property's base of operations for at least 50% of its use is at a location in a technology zone.

(d) A claimant may claim the credit under par. (b) 2 for an amount expended to construct, rehabilitate, remodel, or repair real property, if the claimant began the physical work of construction, rehabilitation, remodeling, or repair, or any demolition or destruction in preparation for the physical work, after the place where the property is located was designated a technology zone, or if the completed project is placed in service after the claimant is certified. In this paragraph, "physical work" does not include preliminary activities such as planning, designing, securing financing, researching, developing specifications, or stabilizing the property to prevent deterioration.

(e) A claimant may claim the credit under par. (b) 2 for an amount expended to acquire real property, if the property is not previously owned property and if the claimant acquires the property after the place where the property is located was designated a technology zone, or if the completed project is placed in service after the claimant is certified.

(f) No credit may be allowed under this subsection unless the claimant includes with the claimant's return:

1. A copy of a verification from the department of commerce that the claimant may claim tax benefits under s. 560.96 (3).
2. A statement from the department of commerce verifying the purchase price of the investment and verifying that the investment fulfills the requirements under par. (b).

(g) In calculating the credit under par. (b) a claimant shall reduce the amount expended to acquire property by a percentage equal to the percentage of the area of the real property not used for the purposes for which the claimant is certified and shall reduce the amount expended for other purposes by the amount expended on the part of the property not used for the purposes for which the claimant is certified.

(h) 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.

(i) Partnerships, limited liability companies, and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of, that credit shall be determined on the basis of their economic activity, not that of their shareholders, partners, or members. The corporation, partnership, or limited liability company shall compute the amount of credit that may be claimed by each of its shareholders, partners, or members and provide that information to its shareholders, partners, or members. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit based on the partnership's, company's, or corporation's activities in proportion to their ownership interest and may offset it against the tax attributable to their income.

(j) If a person who is entitled under s. 560.96 (3) to claim tax benefits becomes ineligible for such tax benefits, or if a person's certification under s. 560.96 (3) 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 on which the certification is revoked, or succeeding taxable years, and that person may carry over no unused credits from previous years to offset tax under this chapter for the taxable year that includes the day on which the person becomes ineligible for tax benefits, the taxable year that includes the day on which the certification is revoked, or succeeding taxable years.

(k) If a person who is entitled under s. 560.96 (3) to claim tax benefits ceases business operations in the technology zone during any of the taxable years that that zone exists, that person may not carry over to any taxable year following the year during which operations cease any unused credits from the taxable year during which operations cease or from previous taxable years.

(L) Subsection (4) (g) and (h) as it applies to the credit under sub (4) applies to the credit under this subsection.

Wisconsin State Assembly
70th Assembly District

Serving Wood, Marathon
& Portage Counties

AMY SUE VRUWINK
STATE REPRESENTATIVE

June 11, 2003

Rep. Michael Lehman, Chairman
Assembly Committee Ways and Means
Room 103 West
State Capitol
Madison, WI 53708

Dear Mr. Chairman and Committee Members:

Thank you for holding a public hearing today on Assembly Bill 299. The funeral of a relative today prevents me from testifying before you in support of AB 299.

Assembly Bill 299 enjoys the support of both Republicans and Democrats. I am pleased to join the author of AB 299, Rep. Scott Suder, in advocating a change in the state law to help smaller companies qualify for technology zone tax credits.

This bill fixes a flaw in the current program. Under the current law, "S" corporations are not eligible to receive the technology zone tax credits.

This flaw means that in my district, at least two companies are ineligible for tax credits. AB 299 recognizes the value of making "S" Corps, partnerships and limited liability companies eligible to receive tax credits.

Assembly Bill 299 is sound economic development policy. It will mean job creation, and that is exactly what we need in Central Wisconsin.

Please vote to recommend AB 299 for passage by the full State Assembly.

Thank you for your attention to my request.

Sincerely,

Amy Sue

Amy Sue Vruwink
State Representative
70th District

ASV:jga

OFFICE: State Capitol, P.O. Box 8953, Madison, WI 53708 • **PHONE:** (608) 266-8366
TOLL-FREE: 1-888-534-0070 • **E-MAIL:** Rep.Vruwink@legis.state.wi.us • **DISTRICT PHONE:** (715) 652-2909

CHIPPEWA COUNTY

ECONOMIC DEVELOPMENT CORPORATION

June 11, 2003

Rep. Scott Suder
21 North Capitol Bldg
Madison, WI 53708

Dear Representative Suder:

Thank you for sponsoring Assembly Bill 299, an act to amend statutes relating to claiming technology zone tax credits. This bill makes the tech zone program more viable as most businesses applying for the tax credits will be S-corps or LLC's. Growing high-tech, entrepreneurial companies are usually incorporated as these and can use the credits to expand their companies.

Making these businesses eligible for the Technology Zone Program will help propel Wisconsin into the new economy. Operating capital is the most crucial resource for expanding high-tech firms and reducing their tax burden will enable them to invest more capital and create more good jobs.

I heartily support passage of AB 299

Sincerely,

John G. Regetz

John G. Regetz
Executive Director

10 S. Bridge Street, Suite 2 • Chippewa Falls, WI 54729
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2135 RIMROCK RD. • P.O. BOX 8933 • MADISON, WISCONSIN 53708-8933
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Jim Doyle
Governor

Michael L. Morgan
Secretary of Revenue

Assembly Ways and Means Committee Hearing, June 11, 2003

AB 299 – Technology Zone Tax Credit (Rep. Suder + 12, Sen. Harsdorf + 6)

Description of Current Law and Proposed Change

- Under current law, businesses that are located in a technology zone may be certified by the Department of Commerce to receive tax credits. Commerce certifies the businesses for a portion of the amount of income or franchise tax, real and personal property tax, and sales and use tax paid by the business in a year.

- Pass-through entities, such as partnerships, limited liability companies treated as partnerships and subchapter S corporations, have limited income and franchise tax liability at the entity level, since they pass the income, loss and deductions of the entity to their partners, members and shareholders. As a result, pass-through entities do not claim the technology zone credits, but compute the amount of the credit that each partner, member or shareholder may claim in proportion to their ownership interest. The technology zone credit that passes through to the owners does not generally include any amount for income or franchise tax liability since the entity does not generally pay that tax.

- The bill would allow the Department of Commerce to certify technology zone credits based on the taxes a pass-through entity would have paid had it been organized as a corporation. The amount of tax the pass-through entity would have paid is determined by multiplying the entity's reported net income by the income or franchise tax rate of 7.9%.

Fairness/Tax Equity

- Avoidance of income tax liability at the entity level is one of the primary reasons a company chooses to be organized as a pass-through entity. If the company were organized as a corporation, the entity would be subject to tax on its profits and the shareholders would be subject to tax on the distributions made by the corporation to them.

- The credit is designed as a portion of certain taxes paid by an entity. This bill would provide a credit for entities that have not incurred those taxes.

- State business tax credits typically are based on expenditures made by companies. If companies do not have to actually make the expenditures to get the technology zone credit, it could be argued that businesses should get other credits—such as the manufacturers' sales tax credit or historic rehabilitation credit—without making the expenditures on which the credits are based.

- Not all businesses receive benefit from every credit. Corporations that are eligible for the technology zone credit but do not have income tax liability also do not receive benefit from this credit. Approximately 65% of regular corporations do not have income or franchise tax liability and also would get no benefit from the credit.

Administrative Impact/Fiscal Effect

- This provision would not increase the $5 million credit cap for each technology zone, but would likely shorten the time period during which the credits would be used. The Department is unable to determine the fiscal effect resulting from the shortened time period since the credits must be certified by Commerce before the businesses may claim them.

- Pass-through entities would need to fill out a corporate income tax return to determine the amount of income to use in computing the technology zone credit and keep separate records for the life of the credit. There are significant differences in the way income is computed for corporations and pass-through entities, such as treatment of capital losses, U.S. government interest and certain deductions.

DOR Position

- No position at this time. The Department of Revenue and Commerce are exploring an alternative credit that would be based on investment expenditures so that the incentive is tied directly to an activity that the state wishes to encourage, rather than an imaginary expenditure the business entity does not really incur. Specifically, the investment credit would be provided, at a rate set in statutes as recommended by the Department of Commerce, on expenditures qualifying the development zone investment credit or capital investment credit, or both.

Prepared by: Pam Walgren 266-7817

June 10, 2003

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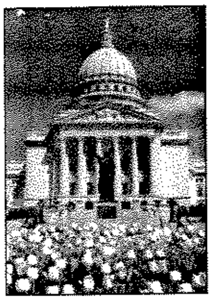

Michael (Mickey)
Lehman
State Representative
99th Assembly District

Committee Chair: Ways and Means

Memorandum

To: Ways & Means Committee Members

From: Rep. Michael "Mickey" Lehman

Date: August 1, 2003

Re: Amendments for August 6th Public Hearing/Executive Session

The Committee will consider substitute amendments to AB 127 and AB 146 during Wednesday's Executive Session. Copies of both are attached for your information.

In addition, an amendment is currently being drafted to Rep. Suder's AB 299. We will forward a copy to you as soon as we receive it.

**A reminder that the Committee will be meeting at 10:00.

Madison Office: Room 103 West, Capitol• P.O. Box 8952 • Madison, WI 53708–8952
(608) 267–2367 • Toll-free: (888) 534-0099 • Fax: (608) 282-3699 • Rep.LehmanM@legis.state.wi.us
Home: 1317 Honeysuckle Road, Hartford, WI 53027 • (262) 673-3967

Halverson, Vicky

From: Gates-Hendrix, Sherrie
Sent: Tuesday, August 05, 2003 9:13 AM
To: Halverson, Vicky
Cc: Ford, William
Subject: FW: LRB 03s0137 - AB 299 sub amendment on technology zone credit

Vicky -- These are the changes to the sub based on Pam's conversations with Commerce.

Regarding the 3rd point, it may be workable to put in another hour threshold since Commerce would like to take out the 2080 hours. 35 hours a week would be 1,828 hours. 30 hours a week would be 1,560 hours.

-----Original Message-----
From: Walgren, Pamela J
Sent: Tuesday, August 05, 2003 8:45 AM
To: Gates-Hendrix, Sherrie
Subject: RE: LRB 03s0137 - AB 299 sub amendment on technology zone credit

We have discussed with Commerce and agree to the following three changes to the draft:

- Change initial applicability to taxable years beginning on January 1, 2002. This change will allow them to bring existing businesses under the new credit definitions.
- Delete language that allows Commerce to revoke a business's certification if the business ceases operations in the zone, per drafter's note.
- Take out the requirement that a full-time job be at least 2080 hours per year. Some businesses that Commerce deals with have professional full-time employees that work 37 hours per week, rather than 40.

03s01371.pdf

Vote Record

Committee on Ways and Means

Date: 8/6/03

Moved by: Lehman Seconded by: J. Wood

AB 299 SB ____ Clearinghouse Rule ____

AJR ____ SJR ____ Appointment ____

AR ____ SR ____ Other ____

A/S Amdt ____

A/S Amdt ____ to A/S Amdt ____

A/S Sub Amdt ____

A/S Amdt ____ to A/S Sub Amdt ____

A/S Amdt ____ to A/S Amdt ____ to A/S Sub Amdt ____

Be recommended for:

- ☐ Passage
- ☐ Introduction
- ☐ Adoption
- ☐ Rejection
- ☐ Confirmation
- ☐ Tabling
- ☐ Concurrence
- ☐ Nonconcurrence
- ☑ Indefinite Postponement

Committee Member	Aye	No	Absent	Not Voting
Representative Michael Lehman, Chair	☑	☐	☐	☐
Representative Jeffrey Wood	☑	☐	☐	☐
Representative Stephen Nass	☑	☐	☐	☐
Representative Eugene Hahn	☑	☐	☐	☐
Representative Frank Lasee	☐	☐	☑	☐
Representative Suzanne Jeskewitz	☑	☐	☐	☐
Representative Samantha Kerkman	☑	☐	☐	☐
Representative Thomas Lothian	☑	☐	☐	☐
Representative Wayne Wood	☑	☐	☐	☐
Representative Leon Young	☑	☐	☐	☐
Representative Terese Berceau	☑	☐	☐	☐
Representative Robert Ziegelbauer	☑	☐	☐	☐
Representative Johnnie Morris	☑	☐	☐	☐
Representative Tom Hebl	☑	☐	☐	☐
Totals:	13	0	1	

☑ Motion Carried ☐ Motion Failed

Halverson, Vicky

From: Halverson, Vicky
Sent: Friday, August 08, 2003 2:18 PM
To: Ford, William
Subject: AB 242

Hi Bill:

Before he left yesterday, Mickey went through the bills that he wants to take up at the Sept. 17th PH/ES. He wants to exec. on AB 431. He met with Mark Gottlieb yesterday and Mark's drafting an amendment to the bill. Suder's redraft of AB 299 will have a PH & ES. He plans to hold a PH on Wieckert's AB 319 re: TIF, and he wants to exec. on Rep. Black's AB 242 -- re: the annual gas tax increase. As he previously mentioned, he would like to require the DOT to specify in their biennial budget requests that they want to index the gas tax for each of the two years of the biennium. Would you be able to help us get this amendment drafted?

I'm going to be out of the office from about 2:30 this afternoon until Monday the 18th. Mickey will be in next Tues., Wed., & Thurs. if you have any questions.

Thanks very much.

Vicky

AB 299

Drafting Instructions for Changes to the Technology Zone Program

Under current law, the Department of Commerce certifies businesses in a technology zone for tax credits based the amount of income/franchise taxes paid, sales/use taxes paid, and property taxes paid in a year. In the administration of this relatively new program, Commerce has identified several issues with the current formula. Income and franchise taxes paid, generally, cannot be calculated for pass-through entities (partnerships, limited liability companies, and tax-option corporations). Additionally, documenting sales and use taxes paid can be complicated for construction projects and otherwise overly burdensome for some businesses.

The Departments of Revenue and Commerce recommend amending the current technology zone credit language under 71.07 (3g), 71.28 (3g), and 71.47 (3g) as follows:

- Replace the portion of the credit based on income/franchise taxes with a credit for 10% of capital investments made during the taxable year.
    - Specify that the property eligible for the capital investment credit must be retained for use in the technology zone for the period during which the person is certified as eligible for technology zone tax credits.
    - Specify that the property cannot be the basis of any other state credit.
- Replace the portion of the credit based on sales/use taxes with a credit for 5 % of wages paid for new full-time jobs in a technology zone in the taxable year.
    - Specify that a full time job means a regular, nonseasonal full-time position in which an individual receives pay that is equal to at least 200% of the federal minimum wage and receives benefits that are not required by federal or state law.
- Provide that Commerce has the right to revoke certification if the business ceases operations in the technology zone.
- Require claimants to submit copies of their certifications and verifications for tax credit from Commerce to the Department of Revenue (as in 71.28 (1dm)(f)).

Sent over for drafting to Joe Kreye 7/24/03.