

2005 DRAFTING REQUEST

Bill

Received: **08/02/2005**

Received By: **jkreye**

Wanted: **As time permits**

Identical to LRB:

For: **Phil Montgomery (608) 266-5840**

By/Representing: **adam**

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

Drafter: **jkreye**

May Contact:

Addl. Drafters:

Subject: **Tax, Other - miscellaneous**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Montgomery@legis.state.wi.us**

Carbon copy (CC:) to: **joseph.kreye@legis.state.wi.us**

Pre Topic:

No specific pre topic given

Topic:

Season admission to athletic events sponsored by an institution of higher education

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?				_____			State
/1	jkreye 08/03/2005	kfollett 08/18/2005	rschluet 08/18/2005	_____	mbarman 08/18/2005		State
/2	jkreye 09/20/2005	kfollett 09/20/2005	rschluet 09/20/2005	_____	lnorthro 09/20/2005	lnorthro 09/20/2005	State
/3	jkreye 10/31/2005	kfollett 11/01/2005	pgreensl 11/01/2005	_____	sbasford 11/01/2005	sbasford 11/01/2005	State

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				_____	mbarman		
				_____	11/09/2005		
/4	jkreye	kfollett	rschluet	_____	sbasford	sbasford	
	11/28/2005	11/28/2005	11/29/2005	_____	11/29/2005	11/29/2005	

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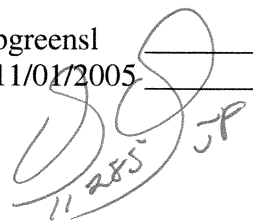
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/3	jkreye 10/31/2005	kfollett 11/01/2005	pgreensl 11/01/2005	_____	sbasford 11/01/2005	sbasford 11/01/2005	

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11/28



Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

mbarman
11/09/2005

e-mail only
- requested by Adam

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*Please joint
check 2
joe*

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*12 kjf
9/20
9/20
<END>*

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/?	jkreye	1/kjf 8/18					

FE Sent For:

<END>

Adm — Rep Montgomery
sales tax exemption — eventually
charitable donations to collegiate sports fund
6-5840



Kreye, Joseph

From: Raschka, Adam
Sent: Monday, August 01, 2005 3:09 PM
To: Kreye, Joseph
Subject: Exempting contributions made for ticket preferences from sales tax collection by the DOR

Joe,

Rep. Montgomery would like to exempt contributions made for ticket preferences from sales tax collection by the DOR. To my knowledge this only impact four universities in WI, UW-Madison, UW-Milwaukee, UW-Green Bay and Marquette.

Rep. Montgomery is concerned this legislation will die in the Tax Exemptions Committee so if there is anyway to draft this to avoid the bill being sent to committee he would like to do that.

The following is suggested language from DOR:

DRAFTING INSTRUCTIONS

The gross receipts from the sale of and the use or other consumption of a right to purchase from an institution of higher education season admission to athletic events sponsored by the institution at a facility of the institution, provided the admission to which the right relates is subject to tax under sec. 77.52(2)(a)2., Wis. Stats.

Alternative Addition: Provide that the stated admission price may not be reduced and reclassified as a right to take advantage of this exemption.

Please give me a call if you have any questions.

Adam

Adam Raschka

Office of Representative Phil Montgomery
Chair - Assembly Energy & Utilities Committee
608-266-5840



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-3437/1

JK: [initials]

2005 BILL

in 8-3-05
SOON

Gen

1 **AN ACT** ...; **relating to:** an income and franchise tax credit for sales tax paid for
2 the right to purchase season admission to athletic events sponsored by an
3 institution of higher education.

Analysis by the Legislative Reference Bureau

This bill creates an income and franchise tax credit in an amount equal to the sales and use taxes that a taxpayer paid in the taxable year on the right to purchase season admission to athletic events sponsored by a University of Wisconsin System institution or by Marquette University. If the credit claimed by a taxpayer exceeds the taxpayer's tax liability, the state will not issue a refund check, but the taxpayer may carry forward any remaining credit to subsequent taxable years.

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

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

4 **SECTION 1.** 71.05 (6) (a) 15. of the statutes is amended to read:
5 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),
6 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3n), (3s), (3t), (3w), (5b), and (5d)

BILL**SECTION 1**

1 and not passed through by a partnership, limited liability company, or tax-option
2 corporation that has added that amount to the partnership's, company's, or
3 tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g).

History: 1987 a. 312; 1987 a. 411 ss. 42, 43, 45, 47 to 49, 51 to 53; 1989 a. 31, 46; 1991 a. 2, 37, 39, 269; 1993 a. 16, 112, 204, 263, 437; 1995 a. 27, 56, 209, 227, 261, 371, 403, 453; 1997 a. 27, 35, 39, 237; 1999 a. 9, 32, 44, 54, 65, 167; 2001 a. 16, 104, 105, 109; 2003 a. 85, 99, 119, 135, 183, 255, 289, 321, 326.

4 **SECTION 2. 71.07 (3w) of the statutes is created to read:**

5 **71.07 (3w) ATHLETIC EVENTS CREDIT.** (a) *Definitions.* In this subsection:

6 1. "Claimant" means a person who files a claim under this subsection.

7 2. "Institution of higher education" means an institution as defined in s. 36.05
8 (9) and Marquette University.

9 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
10 claimant may claim as a credit against the taxes imposed under ss. 71.02 and 71.08,
11 up to the amount of those taxes, an amount that is equal to the amount of the taxes
12 imposed under subch. III of ch. 77 that the claimant paid in the taxable year on the
13 right to purchase from an institution of higher education season admission to
14 athletic events sponsored by the institution that take place at a facility of the
15 institution.

16 (c) *Limitations.* Partnerships, limited liability companies, and tax-option
17 corporations may not claim the credit under this subsection, but the eligibility for,
18 and the amount of, the credit are based on their payment of amounts described under
19 par. (b). A partnership, limited liability company, or tax-option corporation shall
20 compute the amount of credit that each of its partners, members, or shareholders may
21 claim and shall provide that information to each of them. Partners, members of
22 limited liability companies, and shareholders of tax-option corporations may claim
23 the credit in proportion to their ownership interests.

BILL

1 (d) *Administration*. Section 71.28 (4) (e) to (h), as it applies to the credit under
 2 s. 71.28 (4), applies to the credit under this subsection.

3 **SECTION 3.** 71.10 (4) (cp) of the statutes is created to read:

4 71.10 (4) (cp) Athletic events credit under s. 71.07 (3w).

5 **SECTION 4.** 71.21 (4) of the statutes is amended to read:

6 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
 7 (2dj), (2dL), (2dm), (2ds), (2dx), (3g), (3n), (3s), (3t), (3w), and (5b) and passed through
 8 to partners shall be added to the partnership's income.

History: 1987 a. 312, 411; 1989 a. 31; 1993 a. 112; 1995 a. 27, 400; 1997 a. 27; 2001 a. 16; 2003 a. 99, 135, 255, 326.

9 **SECTION 5.** 71.26 (2) (a) of the statutes is amended to read:

10 71.26 (2) (a) *Corporations in general*. The “net income” of a corporation means
 11 the gross income as computed under the Internal Revenue Code as modified under
 12 sub. (3) minus the amount of recapture under s. 71.28 (1di) plus the amount of credit
 13 computed under s. 71.28 (1), (3), (4), and (5) minus, as provided under s. 71.28 (3) (c)
 14 7., the amount of the credit under s. 71.28 (3) that the taxpayer added to income
 15 under this paragraph at the time that the taxpayer first claimed the credit plus the
 16 amount of the credit computed under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm),
 17 (1ds), (1dx), (3g), (3n), (3t), (3w), and (5b) and not passed through by a partnership,
 18 limited liability company, or tax-option corporation that has added that amount to
 19 the partnership's, limited liability company's, or tax-option corporation's income
 20 under s. 71.21 (4) or 71.34 (1) (g) plus the amount of losses from the sale or other
 21 disposition of assets the gain from which would be wholly exempt income, as defined
 22 in sub. (3) (L), if the assets were sold or otherwise disposed of at a gain and minus
 23 deductions, as computed under the Internal Revenue Code as modified under sub.
 24 (3), plus or minus, as appropriate, an amount equal to the difference between the

BILL**SECTION 5**

1 federal basis and Wisconsin basis of any asset sold, exchanged, abandoned, or
 2 otherwise disposed of in a taxable transaction during the taxable year, except as
 3 provided in par. (b) and s. 71.45 (2) and (5).

History: 1987 a. 312; 1987 a. 411 ss. 22, 124 to 129; 1989 a. 31, 336; 1991 a. 37, 39, 221, 269; 1993 a. 16, 112, 246, 263, 399, 437, 491; 1995 a. 27, 56, 351, 371, 380, 428;
 1997 a. 27, 37, 184, 237; 1999 a. 9, 65; 1999 a. 150 s. 672; 1999 a. 167, 194; 2001 a. 16, 38, 106, 109; 2003 a. 33, 85, 99, 135, 255, 326.

4 **SECTION 6. 71.28 (3w) of the statutes is created to read:**

5 **71.28 (3w) ATHLETIC EVENTS CREDIT. (a) Definitions.** In this subsection:

- 6 1. "Claimant" means a person who files a claim under this subsection.
- 7 2. "Institution of higher education" means an institution as defined in s. 36.05
 8 (9) and Marquette University.

9 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
 10 claimant may claim as a credit against the taxes imposed under s. 71.23, up to the
 11 amount of those taxes, an amount that is equal to the amount of the taxes imposed
 12 under subch. III of ch. 77 that the claimant paid in the taxable year on the right to
 13 purchase from an institution of higher education season admission to athletic events
 14 sponsored by the institution that take place at a facility of the institution.

15 (c) *Limitations.* Partnerships, limited liability companies, and tax-option
 16 corporations may not claim the credit under this subsection, but the eligibility for,
 17 and the amount of, the credit are based on their payment of amounts described under
 18 par. (b). A partnership, limited liability company, or tax-option corporation shall
 19 compute the amount of credit that each of its partners, members, or shareholders may
 20 claim and shall provide that information to each of them. Partners, members of
 21 limited liability companies, and shareholders of tax-option corporations may claim
 22 the credit in proportion to their ownership interests.

23 (d) *Administration.* Subsection (4) (e) to (h), as it applies to the credit under
 24 sub. (4), applies to the credit under this subsection.

BILL

1 **SECTION 7.** 71.30 (3) (dm) of the statutes is created to read:

2 71.30 (3) (dm) Athletic events credit under s. 71.28 (3w).

3 **SECTION 8.** 71.34 (1) (g) of the statutes is amended to read:

4 71.34 (1) (g) An addition shall be made for credits computed by a tax-option
5 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (3), (3g),
6 (3n), (3t), (3w), and (5b) and passed through to shareholders.

History: 1987 a. 312; 1987 a. 411 ss. 18, 23, 146; 1989 a. 31, 336; 1991 a. 39, 269; 1993 a. 16, 437; 1995 a. 27, 380, 428; 1997 a. 27, 37, 237; 1999 a. 9, 194; 2001 a. 16, 109; 2003 a. 33, 99, 135, 255, 326.

7 **SECTION 9.** 71.45 (2) (a) 10. of the statutes is amended to read:

8 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
9 computed under s. 71.47 (1dd) to (1dx), (3n), (3w), and (5b) and not passed through
10 by a partnership, limited liability company, or tax-option corporation that has added
11 that amount to the partnership's, limited liability company's, or tax-option
12 corporation's income under s. 71.21 (4) or 71.34 (1) (g) and the amount of credit
13 computed under s. 71.47 (1), (3), (3t), (4), and (5).

History: 1987 a. 312; 1989 a. 31, 336, 359; 1991 a. 37, 39, 269; 1993 a. 16, 112, 263, 437; 1995 a. 27, 56, 371, 380; 1997 a. 27, 37, 237; 1999 a. 9, 65; 1999 a. 150 s. 672; 1999 a. 167, 194; 2001 a. 16, 38, 109; 2003 a. 37, 85, 99, 135, 255, 326.

14 **SECTION 10.** 71.47 (3w) of the statutes is created to read:

15 71.47 (3w) ATHLETIC EVENTS CREDIT. (a) *Definitions.* In this subsection:

16 1. "Claimant" means a person who files a claim under this subsection.

17 2. "Institution of higher education" means an institution as defined in s. 36.05
18 (9) and Marquette University.

19 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
20 claimant may claim as a credit against the taxes imposed under s. 71.43, up to the
21 amount of those taxes, an amount that is equal to the amount of the taxes imposed
22 under subch. III of ch. 77 that the claimant paid in the taxable year on the right to

BILL**SECTION 10**

1 purchase from an institution of higher education season admission to athletic events
2 sponsored by the institution that take place at a facility of the institution.

3 (c) *Limitations.* Partnerships, limited liability companies, and tax-option
4 corporations may not claim the credit under this subsection, but the eligibility for,
5 and the amount of, the credit are based on their payment of amounts described under
6 par. (b). A partnership, limited liability company, or tax-option corporation shall
7 compute the amount of credit that each of its partners, members, or shareholders may
8 claim and shall provide that information to each of them. Partners, members of
9 limited liability companies, and shareholders of tax-option corporations may claim
10 the credit in proportion to their ownership interests.

11 (d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under
12 s. 71.28 (4), applies to the credit under this subsection.

13 **SECTION 11.** 71.49 (1) (dm) of the statutes is created to read:

14 71.49 (1) (dm) Athletic events credit under s. 71.47 (3w).

15 **SECTION 12.** 77.92 (4) of the statutes is amended to read:

16 77.92 (4) "Net business income," with respect to a partnership, means taxable
17 income as calculated under section 703 of the Internal Revenue Code; plus the items
18 of income and gain under section 702 of the Internal Revenue Code, including taxable
19 state and municipal bond interest and excluding nontaxable interest income or
20 dividend income from federal government obligations; minus the items of loss and
21 deduction under section 702 of the Internal Revenue Code, except items that are not
22 deductible under s. 71.21; plus guaranteed payments to partners under section 707
23 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),
24 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3s), (3n), (3t), (3w), and (5b); and
25 plus or minus, as appropriate, transitional adjustments, depreciation differences,

BILL

1 and basis differences under s. 71.05 (13), (15), (16), (17), and (19); but excluding
2 income, gain, loss, and deductions from farming. “Net business income,” with respect
3 to a natural person, estate, or trust, means profit from a trade or business for federal
4 income tax purposes and includes net income derived as an employee as defined in
5 section 3121 (d) (3) of the Internal Revenue Code.

6 **History:** 1989 a. 335; 1991 a. 39, 269; 1993 a. 16, 112, 490; 1995 a. 27, 209; 1997 a. 27; 1999 a. 9; 2001 a. 16; 2003 a. 99, 135, 255, 326.

SECTION 13. Initial applicability.

7 (1) This act first applies to taxable years beginning on January 1 of the year
8 in which this subsection takes effect, except that if this subsection takes effect after
9 July 31 this act first applies to taxable years beginning on January 1 of the year
10 following the year in which this subsection takes effect.

11

(END)

LRB-3437/1

Adm — Rep Montgomery

① right to produce — actual donation over and above
the cost of the rest

② institution of higher education

share & joint





State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-3437/A

JK:kj:rs

DMR

2005 BILL

in 9-20-05
due Fri. 9-23

Regen

1 AN ACT to amend 71.05 (6) (a) 15., 71.21 (4), 71.26 (2) (a), 71.34 (1) (g), 71.45 (2)
2 (a) 10. and 77.92 (4); and to create 71.07 (3w), 71.10 (4) (cp), 71.28 (3w), 71.30
3 (3) (dm), 71.47 (3w) and 71.49 (1) (dm) of the statutes; relating to: an income
4 and franchise tax credit for sales tax paid for the right to purchase season
5 admission to athletic events sponsored by an institution of higher education.

Analysis by the Legislative Reference Bureau

This bill creates an income and franchise tax credit in an amount equal to the sales and use taxes that a taxpayer paid in the taxable year on the right to purchase season admission to athletic events sponsored by a University of Wisconsin System institution or by Marquette University. If the credit claimed by a taxpayer exceeds the taxpayer's tax liability, the state will not issue a refund check, but the taxpayer may carry forward any remaining credit to subsequent taxable years.

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

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

6 SECTION 1. 71.05 (6) (a) 15. of the statutes is amended to read:

✓
certain institutions of higher education. Generally, a "right to purchase" is an amount given to the institution that is greater than the actual cost of the seat at an athletic event. purchase =
is an amount given to the institution that is greater than the actual cost of the seat at an athletic event.

BILL**SECTION 1**

1 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),
2 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3n), (3s), (3t), (3w), (5b), and (5d)
3 and not passed through by a partnership, limited liability company, or tax-option
4 corporation that has added that amount to the partnership's, company's, or
5 tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g).

6 **SECTION 2.** 71.07 (3w) of the statutes is created to read:

7 71.07 (3w) ATHLETIC EVENTS CREDIT. (a) *Definitions.* In this subsection:

8 1. "Claimant" means a person who files a claim under this subsection.

9 2. "Institution of higher education" means an institution as defined in s. 36.05
10 (9) and Marquette University.

11 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
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13 up to the amount of those taxes, an amount that is equal to the amount of the taxes
14 imposed under subch. III of ch. 77 that the claimant paid in the taxable year on the
15 right to purchase from an institution of higher education season admission to
16 athletic events sponsored by the institution that take place at a facility of the
17 institution.

18 (c) *Limitations.* Partnerships, limited liability companies, and tax-option
19 corporations may not claim the credit under this subsection, but the eligibility for,
20 and the amount of, the credit are based on their payment of amounts described under
21 par. (b). A partnership, limited liability company, or tax-option corporation shall
22 compute the amount of credit that each of its partners, members, or shareholders
23 may claim and shall provide that information to each of them. Partners, members
24 of limited liability companies, and shareholders of tax-option corporations may
25 claim the credit in proportion to their ownership interests.

BILL

1 (d) *Administration*. Section 71.28 (4) (e) to (h), as it applies to the credit under
2 s. 71.28 (4), applies to the credit under this subsection.

3 **SECTION 3.** 71.10 (4) (cp) of the statutes is created to read:

4 71.10 (4) (cp) Athletic events credit under s. 71.07 (3w).

5 **SECTION 4.** 71.21 (4) of the statutes is amended to read:

6 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
7 (2dj), (2dL), (2dm), (2ds), (2dx), (3g), (3n), (3s), (3t), (3w), and (5b) and passed through
8 to partners shall be added to the partnership's income.

9 **SECTION 5.** 71.26 (2) (a) of the statutes is amended to read:

10 71.26 (2) (a) *Corporations in general*. The “net income” of a corporation means
11 the gross income as computed under the Internal Revenue Code as modified under
12 sub. (3) minus the amount of recapture under s. 71.28 (1di) plus the amount of credit
13 computed under s. 71.28 (1), (3), (4), and (5) minus, as provided under s. 71.28 (3) (c)
14 7., the amount of the credit under s. 71.28 (3) that the taxpayer added to income
15 under this paragraph at the time that the taxpayer first claimed the credit plus the
16 amount of the credit computed under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm),
17 (1ds), (1dx), (3g), (3n), (3t), (3w), and (5b) and not passed through by a partnership,
18 limited liability company, or tax-option corporation that has added that amount to
19 the partnership's, limited liability company's, or tax-option corporation's income
20 under s. 71.21 (4) or 71.34 (1) (g) plus the amount of losses from the sale or other
21 disposition of assets the gain from which would be wholly exempt income, as defined
22 in sub. (3) (L), if the assets were sold or otherwise disposed of at a gain and minus
23 deductions, as computed under the Internal Revenue Code as modified under sub.
24 (3), plus or minus, as appropriate, an amount equal to the difference between the
25 federal basis and Wisconsin basis of any asset sold, exchanged, abandoned, or

BILL**SECTION 5**

1 otherwise disposed of in a taxable transaction during the taxable year, except as
2 provided in par. (b) and s. 71.45 (2) and (5).

3 **SECTION 6.** 71.28 (3w) of the statutes is created to read:

4 71.28 (3w) ATHLETIC EVENTS CREDIT. (a) *Definitions.* In this subsection:

5 1. “Claimant” means a person who files a claim under this subsection.

6 2. “Institution of higher education” means an institution as defined in s. 36.05
7 (9) and Marquette University.

8 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
9 claimant may claim as a credit against the taxes imposed under s. 71.23, up to the
10 amount of those taxes, an amount that is equal to the amount of the taxes imposed
11 under subch. III of ch. 77 that the claimant paid in the taxable year on the right to
12 purchase from an institution of higher education season admission to athletic events
13 sponsored by the institution that take place at a facility of the institution.

14 (c) *Limitations.* Partnerships, limited liability companies, and tax-option
15 corporations may not claim the credit under this subsection, but the eligibility for,
16 and the amount of, the credit are based on their payment of amounts described under
17 par. (b). A partnership, limited liability company, or tax-option corporation shall
18 compute the amount of credit that each of its partners, members, or shareholders
19 may claim and shall provide that information to each of them. Partners, members
20 of limited liability companies, and shareholders of tax-option corporations may
21 claim the credit in proportion to their ownership interests.

22 (d) *Administration.* Subsection (4) (e) to (h), as it applies to the credit under
23 sub. (4), applies to the credit under this subsection.

24 **SECTION 7.** 71.30 (3) (dm) of the statutes is created to read:

25 71.30 (3) (dm) Athletic events credit under s. 71.28 (3w).

BILL

1 **SECTION 8.** 71.34 (1) (g) of the statutes is amended to read:

2 71.34 (1) (g) An addition shall be made for credits computed by a tax-option
3 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (3), (3g),
4 (3n), (3t), (3w), and (5b) and passed through to shareholders.

5 **SECTION 9.** 71.45 (2) (a) 10. of the statutes is amended to read:

6 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
7 computed under s. 71.47 (1dd) to (1dx), (3n), (3w), and (5b) and not passed through
8 by a partnership, limited liability company, or tax-option corporation that has added
9 that amount to the partnership's, limited liability company's, or tax-option
10 corporation's income under s. 71.21 (4) or 71.34 (1) (g) and the amount of credit
11 computed under s. 71.47 (1), (3), (3t), (4), and (5).

12 **SECTION 10.** 71.47 (3w) of the statutes is created to read:

13 71.47 (3w) ATHLETIC EVENTS CREDIT. (a) *Definitions.* In this subsection:

- 14 1. "Claimant" means a person who files a claim under this subsection.
15 2. "Institution of higher education" means an institution as defined in s. 36.05
16 (9) and Marquette University.

17 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
18 claimant may claim as a credit against the taxes imposed under s. 71.43, up to the
19 amount of those taxes, an amount that is equal to the amount of the taxes imposed
20 under subch. III of ch. 77 that the claimant paid in the taxable year on the right to
21 purchase from an institution of higher education season admission to athletic events
22 sponsored by the institution that take place at a facility of the institution.

23 (c) *Limitations.* Partnerships, limited liability companies, and tax-option
24 corporations may not claim the credit under this subsection, but the eligibility for,
25 and the amount of, the credit are based on their payment of amounts described under

BILL**SECTION 10**

1 par. (b). A partnership, limited liability company, or tax-option corporation shall
2 compute the amount of credit that each of its partners, members, or shareholders
3 may claim and shall provide that information to each of them. Partners, members
4 of limited liability companies, and shareholders of tax-option corporations may
5 claim the credit in proportion to their ownership interests.

6 (d) *Administration*. Section 71.28 (4) (e) to (h), as it applies to the credit under
7 s. 71.28 (4), applies to the credit under this subsection.

8 **SECTION 11.** 71.49 (1) (dm) of the statutes is created to read:

9 71.49 (1) (dm) Athletic events credit under s. 71.47 (3w).

10 **SECTION 12.** 77.92 (4) of the statutes is amended to read:

11 77.92 (4) “Net business income,” with respect to a partnership, means taxable
12 income as calculated under section 703 of the Internal Revenue Code; plus the items
13 of income and gain under section 702 of the Internal Revenue Code, including taxable
14 state and municipal bond interest and excluding nontaxable interest income or
15 dividend income from federal government obligations; minus the items of loss and
16 deduction under section 702 of the Internal Revenue Code, except items that are not
17 deductible under s. 71.21; plus guaranteed payments to partners under section 707
18 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),
19 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3s), (3n), (3t), (3w), and (5b); and
20 plus or minus, as appropriate, transitional adjustments, depreciation differences,
21 and basis differences under s. 71.05 (13), (15), (16), (17), and (19); but excluding
22 income, gain, loss, and deductions from farming. “Net business income,” with respect
23 to a natural person, estate, or trust, means profit from a trade or business for federal
24 income tax purposes and includes net income derived as an employee as defined in
25 section 3121 (d) (3) of the Internal Revenue Code.

Kreye, Joseph

From: Raschka, Adam
Sent: Friday, October 28, 2005 10:45 AM
To: Kreye, Joseph
Subject: LRB 3437

Joe,

I'm sorry to do this to you again since the draft is already jacketed, but the last change we made was to take Marquette out of the summary, not they would direct references to them taken out. An example would be page 2, line 9 and insert some time of definition. Here are some suggestions they have:

S. 36.32(1), In this section, "institution of higher education" means an institution within the system or a private educational institution located in this state that awards a bachelor's degree or provides a program that is acceptable towards such a degree.

In HEAB's s. 39.30(1)(d), an "accredited institution" is defined for the purpose of student eligibility for a tuition grant: "an institution accredited by a nationally recognized accrediting agency or by the board of nursing pursuant to s. 441.01 (4), or, if not so accredited, is a nonprofit institution of higher education whose credits are accepted on transfer by not less than 3 institutions which are so accredited, on the same basis as if transferred from an institution so accredited."

S. 16.99(3g) defines "private college" for purposes of participation in what used to be the TEACH program (cheap Internet access): "Private college" means a private, regionally accredited, 4*year, nonprofit college or university that is incorporated in this state or that has its regional headquarters and principal place of

business in this state or a tribally controlled college in this state.

In the EAB statutes [now in ch. 38, s. 38.50(1)(e)1.], private colleges are defined so as to exclude them from EAB regulation: "In*state schools that are exempt from taxation under section 501 of the Internal Revenue Code and that either were incorporated in this state prior to January 1, 1992, or had their administrative headquarters and principal places of business in this state prior to 1970."

College Savings Program
14.63(1)(b)

(b) "Institution of higher education" means an eligible educational institution, as defined under 26 USC 529.

Do any of these definitions work?

Thanks Joe.

Adam

Adam Raschka

Office of Representative Phil Montgomery
Chair - Assembly Energy & Utilities Committee
608-266-5840



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-3437/2

JK:kj:rs

RJR

2005 BILL

in 10-31-05
due thru 11-3
Regen

1 AN ACT to amend 71.05 (6) (a) 15., 71.21 (4), 71.26 (2) (a), 71.34 (1) (g), 71.45 (2)
2 (a) 10. and 77.92 (4); and to create 71.07 (3w), 71.10 (4) (cp), 71.28 (3w), 71.30
3 (3) (dm), 71.47 (3w) and 71.49 (1) (dm) of the statutes; relating to: an income
4 and franchise tax credit for sales tax paid for the right to purchase season
5 admission to athletic events sponsored by an institution of higher education.

Analysis by the Legislative Reference Bureau

This bill creates an income and franchise tax credit in an amount equal to the sales and use taxes that a taxpayer paid in the taxable year on the right to purchase season admission to athletic events sponsored by certain institutions of higher education. Generally, a "right to purchase" is an amount given to the institution that is greater than the actual cost of the seat at an athletic event. If the credit claimed by a taxpayer exceeds the taxpayer's tax liability, the state will not issue a refund check, but the taxpayer may carry forward any remaining credit to subsequent taxable years.

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

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

BILL

SECTION 1

1 **SECTION 1.** 71.05 (6) (a) 15. of the statutes is amended to read:

2 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),
3 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3n), (3s), (3t), (3w), (5b), and (5d)
4 and not passed through by a partnership, limited liability company, or tax-option
5 corporation that has added that amount to the partnership's, company's, or
6 tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g).

7 **SECTION 2.** 71.07 (3w) of the statutes is created to read:

8 71.07 (3w) ATHLETIC EVENTS CREDIT. (a) *Definitions.* In this subsection:

9 1. "Claimant" means a person who files a claim under this subsection.

10 2. "Institution of higher education" means an institution as defined in s. 36.05
11 (9) and Marquette University. *has the meaning given in s. 36.32(1)*

12 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
13 claimant may claim as a credit against the taxes imposed under ss. 71.02 and 71.08,
14 up to the amount of those taxes, an amount that is equal to the amount of the taxes
15 imposed under subch. III of ch. 77 that the claimant paid in the taxable year on the
16 right to purchase from an institution of higher education season admission to
17 athletic events sponsored by the institution that take place at a facility of the
18 institution.

19 (c) *Limitations.* Partnerships, limited liability companies, and tax-option
20 corporations may not claim the credit under this subsection, but the eligibility for,
21 and the amount of, the credit are based on their payment of amounts described under
22 par. (b). A partnership, limited liability company, or tax-option corporation shall
23 compute the amount of credit that each of its partners, members, or shareholders
24 may claim and shall provide that information to each of them. Partners, members

BILL

1 of limited liability companies, and shareholders of tax-option corporations may
2 claim the credit in proportion to their ownership interests.

3 (d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under
4 s. 71.28 (4), applies to the credit under this subsection.

5 **SECTION 3.** 71.10 (4) (cp) of the statutes is created to read:

6 71.10 (4) (cp) Athletic events credit under s. 71.07 (3w).

7 **SECTION 4.** 71.21 (4) of the statutes is amended to read:

8 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
9 (2dj), (2dL), (2dm), (2ds), (2dx), (3g), (3n), (3s), (3t), (3w), and (5b) and passed through
10 to partners shall be added to the partnership's income.

11 **SECTION 5.** 71.26 (2) (a) of the statutes is amended to read:

12 71.26 (2) (a) *Corporations in general.* The “net income” of a corporation means
13 the gross income as computed under the Internal Revenue Code as modified under
14 sub. (3) minus the amount of recapture under s. 71.28 (1di) plus the amount of credit
15 computed under s. 71.28 (1), (3), (4), and (5) minus, as provided under s. 71.28 (3) (c)
16 7., the amount of the credit under s. 71.28 (3) that the taxpayer added to income
17 under this paragraph at the time that the taxpayer first claimed the credit plus the
18 amount of the credit computed under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm),
19 (1ds), (1dx), (3g), (3n), (3t), (3w), and (5b) and not passed through by a partnership,
20 limited liability company, or tax-option corporation that has added that amount to
21 the partnership's, limited liability company's, or tax-option corporation's income
22 under s. 71.21 (4) or 71.34 (1) (g) plus the amount of losses from the sale or other
23 disposition of assets the gain from which would be wholly exempt income, as defined
24 in sub. (3) (L), if the assets were sold or otherwise disposed of at a gain and minus
25 deductions, as computed under the Internal Revenue Code as modified under sub.

BILL

1 (3), plus or minus, as appropriate, an amount equal to the difference between the
2 federal basis and Wisconsin basis of any asset sold, exchanged, abandoned, or
3 otherwise disposed of in a taxable transaction during the taxable year, except as
4 provided in par. (b) and s. 71.45 (2) and (5).

5 **SECTION 6.** 71.28 (3w) of the statutes is created to read:

6 71.28 (3w) ATHLETIC EVENTS CREDIT. (a) *Definitions.* In this subsection:

7 1. "Claimant" means a person who files a claim under this subsection.

8 2. "Institution of higher education" ~~means an institution as defined in s. 36.05~~
9 ~~(9) and Marquette University.~~ *has the meaning given in s. 36.32(1)*

10 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
11 claimant may claim as a credit against the taxes imposed under s. 71.23, up to the
12 amount of those taxes, an amount that is equal to the amount of the taxes imposed
13 under subch. III of ch. 77 that the claimant paid in the taxable year on the right to
14 purchase from an institution of higher education season admission to athletic events
15 sponsored by the institution that take place at a facility of the institution.

16 (c) *Limitations.* Partnerships, limited liability companies, and tax-option
17 corporations may not claim the credit under this subsection, but the eligibility for,
18 and the amount of, the credit are based on their payment of amounts described under
19 par. (b). A partnership, limited liability company, or tax-option corporation shall
20 compute the amount of credit that each of its partners, members, or shareholders
21 may claim and shall provide that information to each of them. Partners, members
22 of limited liability companies, and shareholders of tax-option corporations may
23 claim the credit in proportion to their ownership interests.

24 (d) *Administration.* Subsection (4) (e) to (h), as it applies to the credit under
25 sub. (4), applies to the credit under this subsection.

BILL

1 **SECTION 7.** 71.30 (3) (dm) of the statutes is created to read:

2 71.30 (3) (dm) Athletic events credit under s. 71.28 (3w).

3 **SECTION 8.** 71.34 (1) (g) of the statutes is amended to read:

4 71.34 (1) (g) An addition shall be made for credits computed by a tax-option
5 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (3), (3g),
6 (3n), (3t), (3w), and (5b) and passed through to shareholders.

7 **SECTION 9.** 71.45 (2) (a) 10. of the statutes is amended to read:

8 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
9 computed under s. 71.47 (1dd) to (1dx), (3n), (3w), and (5b) and not passed through
10 by a partnership, limited liability company, or tax-option corporation that has added
11 that amount to the partnership's, limited liability company's, or tax-option
12 corporation's income under s. 71.21 (4) or 71.34 (1) (g) and the amount of credit
13 computed under s. 71.47 (1), (3), (3t), (4), and (5).

14 **SECTION 10.** 71.47 (3w) of the statutes is created to read:

15 71.47 (3w) ATHLETIC EVENTS CREDIT. (a) *Definitions.* In this subsection:

16 1. "Claimant" means a person who files a claim under this subsection.

17 2. "Institution of higher education" means an institution as defined in s. 36.05
18 (9) and Marquette University. *has the meaning given in s. 36.32(1)*

19 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
20 claimant may claim as a credit against the taxes imposed under s. 71.43, up to the
21 amount of those taxes, an amount that is equal to the amount of the taxes imposed
22 under subch. III of ch. 77 that the claimant paid in the taxable year on the right to
23 purchase from an institution of higher education season admission to athletic events
24 sponsored by the institution that take place at a facility of the institution.

BILL**SECTION 10**

1 (c) *Limitations.* Partnerships, limited liability companies, and tax-option
2 corporations may not claim the credit under this subsection, but the eligibility for,
3 and the amount of, the credit are based on their payment of amounts described under
4 par. (b). A partnership, limited liability company, or tax-option corporation shall
5 compute the amount of credit that each of its partners, members, or shareholders
6 may claim and shall provide that information to each of them. Partners, members
7 of limited liability companies, and shareholders of tax-option corporations may
8 claim the credit in proportion to their ownership interests.

9 (d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under
10 s. 71.28 (4), applies to the credit under this subsection.

11 **SECTION 11.** 71.49 (1) (dm) of the statutes is created to read:

12 71.49 (1) (dm) Athletic events credit under s. 71.47 (3w).

13 **SECTION 12.** 77.92 (4) of the statutes is amended to read:

14 77.92 (4) “Net business income,” with respect to a partnership, means taxable
15 income as calculated under section 703 of the Internal Revenue Code; plus the items
16 of income and gain under section 702 of the Internal Revenue Code, including taxable
17 state and municipal bond interest and excluding nontaxable interest income or
18 dividend income from federal government obligations; minus the items of loss and
19 deduction under section 702 of the Internal Revenue Code, except items that are not
20 deductible under s. 71.21; plus guaranteed payments to partners under section 707
21 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),
22 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3s), (3n), (3t), (3w), and (5b); and
23 plus or minus, as appropriate, transitional adjustments, depreciation differences,
24 and basis differences under s. 71.05 (13), (15), (16), (17), and (19); but excluding
25 income, gain, loss, and deductions from farming. “Net business income,” with respect

BILL

1 to a natural person, estate, or trust, means profit from a trade or business for federal
2 income tax purposes and includes net income derived as an employee as defined in
3 section 3121 (d) (3) of the Internal Revenue Code.

4 **SECTION 13. Initial applicability.**

5 (1) This act first applies to taxable years beginning on January 1 of the year
6 in which this subsection takes effect, except that if this subsection takes effect after
7 July 31 this act first applies to taxable years beginning on January 1 of the year
8 following the year in which this subsection takes effect.

9

(END)

Kreye, Joseph

From: Raschka, Adam
Sent: Monday, November 28, 2005 2:18 PM
To: Kreye, Joseph
Subject: 3437/3

Joe,

Sorry about this, but it looks like we need another change. Par. (b) closes out with "take place at a facility of the institution." Can we change that to something along the lines of under (b) to events "that take place at a facility owned by or leased by the institution." in order to accommodate schools which lease certain facilities.

I'll send the jacket back over.

Thanks,

Adam

Adam Raschka

Office of Representative Phil Montgomery
Chair - Assembly Energy & Utilities Committee
608-266-5840



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-3437/3

JK:kjf:pg

RMR

2005 BILL

in 11-28-05
due Tuesday 11-29-05
Regen

1 AN ACT *to amend* 71.05 (6) (a) 15., 71.21 (4), 71.26 (2) (a), 71.34 (1) (g), 71.45 (2)
2 (a) 10. and 77.92 (4); and *to create* 71.07 (3w), 71.10 (4) (cp), 71.28 (3w), 71.30
3 (3) (dm), 71.47 (3w) and 71.49 (1) (dm) of the statutes; **relating to:** an income
4 and franchise tax credit for sales tax paid for the right to purchase season
5 admission to athletic events sponsored by an institution of higher education.

Analysis by the Legislative Reference Bureau

This bill creates an income and franchise tax credit in an amount equal to the sales and use taxes that a taxpayer paid in the taxable year on the right to purchase season admission to athletic events sponsored by certain institutions of higher education. Generally, a "right to purchase" is an amount given to the institution that is greater than the actual cost of the seat at an athletic event. If the credit claimed by a taxpayer exceeds the taxpayer's tax liability, the state will not issue a refund check, but the taxpayer may carry forward any remaining credit to subsequent taxable years.

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

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

BILL

1 **SECTION 1.** 71.05 (6) (a) 15. of the statutes is amended to read:

2 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),
3 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3n), (3s), (3t), (3w), (5b), and (5d)
4 and not passed through by a partnership, limited liability company, or tax-option
5 corporation that has added that amount to the partnership's, company's, or
6 tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g).

7 **SECTION 2.** 71.07 (3w) of the statutes is created to read:

8 71.07 (3w) ATHLETIC EVENTS CREDIT. (a) *Definitions.* In this subsection:

9 1. "Claimant" means a person who files a claim under this subsection.

10 2. "Institution of higher education" has the meaning given in s. 36.32 (1).

11 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
12 claimant may claim as a credit against the taxes imposed under ss. 71.02 and 71.08,
13 up to the amount of those taxes, an amount that is equal to the amount of the taxes
14 imposed under subch. III of ch. 77 that the claimant paid in the taxable year on the
15 right to purchase from an institution of higher education season admission to
16 athletic events sponsored by the institution that take place at a facility of the
17 institution.

of the
that is owned or
leased by

18 (c) *Limitations.* Partnerships, limited liability companies, and tax-option
19 corporations may not claim the credit under this subsection, but the eligibility for,
20 and the amount of, the credit are based on their payment of amounts described under
21 par. (b). A partnership, limited liability company, or tax-option corporation shall
22 compute the amount of credit that each of its partners, members, or shareholders
23 may claim and shall provide that information to each of them. Partners, members
24 of limited liability companies, and shareholders of tax-option corporations may
25 claim the credit in proportion to their ownership interests.

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1 (d) *Administration*. Section 71.28 (4) (e) to (h), as it applies to the credit under
2 s. 71.28 (4), applies to the credit under this subsection.

3 **SECTION 3.** 71.10 (4) (cp) of the statutes is created to read:

4 71.10 (4) (cp) Athletic events credit under s. 71.07 (3w).

5 **SECTION 4.** 71.21 (4) of the statutes is amended to read:

6 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
7 (2dj), (2dL), (2dm), (2ds), (2dx), (3g), (3n), (3s), (3t), (3w), and (5b) and passed through
8 to partners shall be added to the partnership's income.

9 **SECTION 5.** 71.26 (2) (a) of the statutes is amended to read:

10 71.26 (2) (a) *Corporations in general*. The “net income” of a corporation means
11 the gross income as computed under the Internal Revenue Code as modified under
12 sub. (3) minus the amount of recapture under s. 71.28 (1di) plus the amount of credit
13 computed under s. 71.28 (1), (3), (4), and (5) minus, as provided under s. 71.28 (3) (c)
14 7., the amount of the credit under s. 71.28 (3) that the taxpayer added to income
15 under this paragraph at the time that the taxpayer first claimed the credit plus the
16 amount of the credit computed under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm),
17 (1ds), (1dx), (3g), (3n), (3t), (3w), and (5b) and not passed through by a partnership,
18 limited liability company, or tax-option corporation that has added that amount to
19 the partnership's, limited liability company's, or tax-option corporation's income
20 under s. 71.21 (4) or 71.34 (1) (g) plus the amount of losses from the sale or other
21 disposition of assets the gain from which would be wholly exempt income, as defined
22 in sub. (3) (L), if the assets were sold or otherwise disposed of at a gain and minus
23 deductions, as computed under the Internal Revenue Code as modified under sub.
24 (3), plus or minus, as appropriate, an amount equal to the difference between the
25 federal basis and Wisconsin basis of any asset sold, exchanged, abandoned, or

BILL

1 otherwise disposed of in a taxable transaction during the taxable year, except as
2 provided in par. (b) and s. 71.45 (2) and (5).

3 **SECTION 6.** 71.28 (3w) of the statutes is created to read:

4 71.28 (3w) ATHLETIC EVENTS CREDIT. (a) *Definitions.* In this subsection:

5 1. “Claimant” means a person who files a claim under this subsection.

6 2. “Institution of higher education” has the meaning given in s. 36.32 (1).

7 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
8 claimant may claim as a credit against the taxes imposed under s. 71.23, up to the
9 amount of those taxes, an amount that is equal to the amount of the taxes imposed
10 under subch. III of ch. 77 that the claimant paid in the taxable year on the right to
11 purchase from an institution of higher education season admission to athletic events
12 sponsored by the institution that take place at a facility of the institution. *that is owned or leased by*

13 (c) *Limitations.* Partnerships, limited liability companies, and tax-option
14 corporations may not claim the credit under this subsection, but the eligibility for,
15 and the amount of, the credit are based on their payment of amounts described under
16 par. (b). A partnership, limited liability company, or tax-option corporation shall
17 compute the amount of credit that each of its partners, members, or shareholders
18 may claim and shall provide that information to each of them. Partners, members
19 of limited liability companies, and shareholders of tax-option corporations may
20 claim the credit in proportion to their ownership interests.

21 (d) *Administration.* Subsection (4) (e) to (h), as it applies to the credit under
22 sub. (4), applies to the credit under this subsection.

23 **SECTION 7.** 71.30 (3) (dm) of the statutes is created to read:

24 71.30 (3) (dm) Athletic events credit under s. 71.28 (3w).

25 **SECTION 8.** 71.34 (1) (g) of the statutes is amended to read:

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1 71.34 (1) (g) An addition shall be made for credits computed by a tax-option
2 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (3), (3g),
3 (3n), (3t), (3w), and (5b) and passed through to shareholders.

4 **SECTION 9.** 71.45 (2) (a) 10. of the statutes is amended to read:

5 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
6 computed under s. 71.47 (1dd) to (1dx), (3n), (3w), and (5b) and not passed through
7 by a partnership, limited liability company, or tax-option corporation that has added
8 that amount to the partnership's, limited liability company's, or tax-option
9 corporation's income under s. 71.21 (4) or 71.34 (1) (g) and the amount of credit
10 computed under s. 71.47 (1), (3), (3t), (4), and (5).

11 **SECTION 10.** 71.47 (3w) of the statutes is created to read:

12 71.47 (3w) ATHLETIC EVENTS CREDIT. (a) *Definitions.* In this subsection:

- 13 1. "Claimant" means a person who files a claim under this subsection.
14 2. "Institution of higher education" has the meaning given in s. 36.32 (1).

15 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
16 claimant may claim as a credit against the taxes imposed under s. 71.43, up to the
17 amount of those taxes, an amount that is equal to the amount of the taxes imposed
18 under subch. III of ch. 77 that the claimant paid in the taxable year on the right to
19 purchase from an institution of higher education season admission to athletic events
20 sponsored by the institution that take place at a facility of the institution. *that is owned or leased by*

21 (c) *Limitations.* Partnerships, limited liability companies, and tax-option
22 corporations may not claim the credit under this subsection, but the eligibility for,
23 and the amount of, the credit are based on their payment of amounts described under
24 par. (b). A partnership, limited liability company, or tax-option corporation shall
25 compute the amount of credit that each of its partners, members, or shareholders

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1 may claim and shall provide that information to each of them. Partners, members
2 of limited liability companies, and shareholders of tax-option corporations may
3 claim the credit in proportion to their ownership interests.

4 (d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under
5 s. 71.28 (4), applies to the credit under this subsection.

6 **SECTION 11.** 71.49 (1) (dm) of the statutes is created to read:

7 71.49 (1) (dm) Athletic events credit under s. 71.47 (3w).

8 **SECTION 12.** 77.92 (4) of the statutes is amended to read:

9 77.92 (4) “Net business income,” with respect to a partnership, means taxable
10 income as calculated under section 703 of the Internal Revenue Code; plus the items
11 of income and gain under section 702 of the Internal Revenue Code, including taxable
12 state and municipal bond interest and excluding nontaxable interest income or
13 dividend income from federal government obligations; minus the items of loss and
14 deduction under section 702 of the Internal Revenue Code, except items that are not
15 deductible under s. 71.21; plus guaranteed payments to partners under section 707
16 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),
17 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3s), (3n), (3t), (3w), and (5b); and
18 plus or minus, as appropriate, transitional adjustments, depreciation differences,
19 and basis differences under s. 71.05 (13), (15), (16), (17), and (19); but excluding
20 income, gain, loss, and deductions from farming. “Net business income,” with respect
21 to a natural person, estate, or trust, means profit from a trade or business for federal
22 income tax purposes and includes net income derived as an employee as defined in
23 section 3121 (d) (3) of the Internal Revenue Code.

24 **SECTION 13. Initial applicability.**

Emery, Lynn

From: Emery, Lynn
Sent: Tuesday, November 29, 2005 10:55 AM
To: Raschka, Adam
Subject: LRB 05-3437/4 (attached as requested)

Attachments: 05-3437/4



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