

**SENATE AMENDMENT 2,
TO SENATE SUBSTITUTE AMENDMENT 2,
TO 2005 SENATE BILL 103**

March 2, 2006 – Offered by Senator LEIBHAM.

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 2, line 3: delete “subd. 2.” and substitute “subds. 2. and 3.”.

3 **2.** Page 4, line 9: after that line insert:

4 “**SECTION 3e.** 71.28 (4) (ad) 3. of the statutes is created to read:

5 71.28 (4) (ad) 3. For taxable years beginning after December 31, 2007, any
6 corporation may credit against taxes otherwise due under this chapter an amount
7 equal to 10 percent of the amount obtained by subtracting from the corporation’s
8 qualified research expenses, as defined in section 41 of the Internal Revenue Code,
9 except that “qualified research expenses” includes only expenses incurred by the
10 claimant for research related to the design and manufacturing of energy efficient
11 lighting systems, building automation and control systems, or automotive batteries
12 for use in hybrid–electric vehicles, that reduce the demand for natural gas or

1 electricity or improve the efficiency of its use, incurred for research conducted in this
2 state for the taxable year, except that a taxpayer may elect the alternative
3 computation under section 41 (c) (4) of the Internal Revenue Code and that election
4 applies until the department permits its revocation, except as provided in par. (af),
5 and except that “qualified research expenses” does not include compensation used
6 in computing the credit under subs. (1dj) and (1dx), the corporation’s base amount,
7 as defined in section 41 (c) of the Internal Revenue Code, except that gross receipts
8 used in calculating the base amount means gross receipts from sales attributable to
9 Wisconsin under s. 71.25 (9) (b) 1. and 2. and (d). Section 41 (h) of the Internal
10 Revenue Code does not apply to the credit under this paragraph.”.

11 **3.** Page 4, line 12: delete lines 12 and 13 and substitute “under par. (ad) 1., 2.,
12 or 3., or any combination of those credits, the corporation may use a different
13 computation method to calculate each of the credits and may choose to change”.

14 **4.** Page 5, line 18: delete “subd. 2.” and substitute “subds. 2. and 3.”.

15 **5.** Page 7, line 5: after that line insert:

16 “**SECTION 8e.** 71.28 (5) (ad) 3. of the statutes is created to read:

17 71.28 (5) (ad) 3. For taxable years beginning after December 31, 2007, any
18 corporation may credit against taxes otherwise due under this chapter an amount
19 equal to 10 percent of the amount paid or incurred by that corporation during the
20 taxable year to construct and equip new facilities or expand existing facilities used
21 in this state for qualified research, as defined in section 41 of the Internal Revenue
22 Code, except that “qualified research expenses” includes only expenses paid or
23 incurred by the claimant for research related to the design and manufacturing of
24 energy efficient lighting systems, building automation and control systems, or

1 automotive batteries for use in hybrid–electric vehicles, that reduce the demand for
2 natural gas or electricity or improve the efficiency of its use. Eligible amounts
3 include only amounts paid or incurred for tangible, depreciable property but do not
4 include amounts paid or incurred for replacement property.”.

5 **6.** Page 7, line 8: delete “subd. 2.” and substitute “subds. 2. and 3.”.

6 **7.** Page 9, line 8: after that line insert:

7 “**SECTION 11e.** 71.47 (4) (ad) 3. of the statutes is created to read:

8 71.47 (4) (ad) 3. For taxable years beginning after December 31, 2007, any
9 corporation may credit against taxes otherwise due under this chapter an amount
10 equal to 10 percent of the amount obtained by subtracting from the corporation’s
11 qualified research expenses, as defined in section 41 of the Internal Revenue Code,
12 except that “qualified research expenses” includes only expenses incurred by the
13 claimant for research related to the design and manufacturing of energy efficient
14 lighting systems, building automation and control systems, or automotive batteries
15 for use in hybrid–electric vehicles, that reduce the demand for natural gas or
16 electricity or improve the efficiency of its use, incurred for research conducted in this
17 state for the taxable year, except that a taxpayer may elect the alternative
18 computation under section 41 (c) (4) of the Internal Revenue Code and that election
19 applies until the department permits its revocation, except as provided in par. (af),
20 and except that “qualified research expenses” does not include compensation used
21 in computing the credit under subs. (1dj) and (1dx), the corporation’s base amount,
22 as defined in section 41 (c) of the Internal Revenue Code, except that gross receipts
23 used in calculating the base amount means gross receipts from sales attributable to

1 Wisconsin under s. 71.25 (9) (b) 1. and 2. and (d). Section 41 (h) of the Internal
2 Revenue Code does not apply to the credit under this paragraph.”.

3 **8.** Page 9, line 11: delete lines 11 and 12 and substitute “under par. (ad) 1., 2.,
4 or 3., or any combination of those credits, the corporation may use a different
5 computation method to calculate each of the credits and may choose to change”.

6 **9.** Page 10, line 20: delete “subd. 2.” and substitute “subds. 2. and 3.”.

7 **10.** Page 12, line 7: after that line insert:

8 “**SECTION 16e.** 71.47 (5) (ad) 3. of the statutes is created to read:

9 71.47 (5) (ad) 3. For taxable years beginning after December 31, 2007, any
10 corporation may credit against taxes otherwise due under this chapter an amount
11 equal to 10 percent of the amount paid or incurred by that corporation during the
12 taxable year to construct and equip new facilities or expand existing facilities used
13 in this state for qualified research, as defined in section 41 of the Internal Revenue
14 Code, except that “qualified research expenses” includes only expenses paid or
15 incurred by the claimant for research related to the design and manufacturing of
16 energy efficient lighting systems, building automation and control systems, or
17 automotive batteries for use in hybrid–electric vehicles, that reduce the demand for
18 natural gas or electricity or improve the efficiency of its use. Eligible amounts
19 include only amounts paid or incurred for tangible, depreciable property but do not
20 include amounts paid or incurred for replacement property.”.

21 (END)