

2005 DRAFTING REQUEST

Senate Amendment (SA-SSA2-SB103)

Received: 03/02/2006

Received By: mshovers

Wanted: As time permits

Identical to LRB:

For: Joseph Leibham (608) 266-2056

By/Representing: Eric

This file may be shown to any legislator: NO

Drafter: mshovers

May Contact:

Addl. Drafters:

Subject: Tax, Business - credits

Extra Copies:

Submit via email: YES

Requester's email: Sen.Leibham@legis.state.wi.us

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Income and franchise tax credit for research and research facilities

Instructions:

Same as a1194/1

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>
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/1			rschluet 03/02/2006	_____	lnorthro 03/02/2006	lnorthro 03/02/2006	

FE Sent For:

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SSA2-
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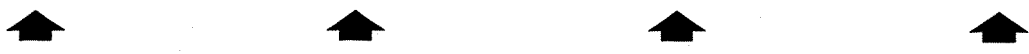
/? mshovers 1 ijs 3/2
11 MES 3/2/06 06 [Signature]
FE Sent For: [Signature]
<END>

Leibham
on the floor

RESEARCH APPENDIX - Draft Transfer/Copy Request Form

- Atty's please complete this form and give to Mike Barman

(Request Made By: MES) (Date: 3 / 12 / 06)



Please transfer the drafting file for

2003 LRB _____ to the drafting file

for 2005 LRB _____

The final version of the 2003 draft and the final Request Sheet will be copied on yellow paper, and returned to the original 2003 drafting file. A new cover sheet will be created/included listing the new location of the drafting file's "guts".

For research purposes, because the 2003 draft was incorporated into a 2005 draft, the complete drafting file will be transferred, as a separate appendix, to the new 2005 drafting file. This request form will be inserted into the "guts" of the 2005 draft. If introduced, the appendix will be scanned/added to the electronic drafting file folder.

-- OR --

Please copy the drafting file for

2005 LRB a1194 / 1 (include the version) and place it in the

drafting file for 2005 LRB a2604

For research purposes, because the original 2005 draft was incorporated into another 2005 draft, the original drafting file will be copied on yellow paper (darkened/auto centered/reduced to 90%) and added, as a separate appendix, to the new 2005 drafting file. This request form will be inserted into the "guts" of the new 2005 draft. If introduced the appendix will be scanned/added to the electronic drafting file folder.

The original drafting file will then returned, intact, to its folder and filed. For future reference, a copy of the transfer/copy request form will also be added to the "guts" of the original draft.

Now

a2604/1

LRBe1194/1

JK&MES:cjs:pg

8 days

RMNR

SENATE AMENDMENT ,

TO SENATE SUBSTITUTE AMENDMENT 2,

TO 2005 SENATE BILL 103



LPS:
please fix
request
sheet as
indicated on
request sheet

NOTE

WANTED!
11Am

- 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)

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

a2609/ldh
LRBa1194/ldh
JK&MES:cjs:pg

October 19, 2005

Senator Leibham:

original Please review this amendment very carefully to ensure that it meets your intent. The drafting instructions we received were not very clear, and no definitions were provided for terms such as “energy efficiency lighting systems” (I assume you meant energy efficient lighting systems), “building automation and control systems,” and “hybrid-electric vehicles.”

It is identical to a1194/1.

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Senior Joseph T. Kreye
Legislative Attorney
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**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBa2604/1dn
JK&MES:cjs:rs

March 2, 2006

Senator Leibham:

Please review this amendment very carefully to ensure that it meets your intent. It is identical to a1194/1. The original drafting instructions we received were not very clear, and no definitions were provided for terms such as "energy efficiency lighting systems" (I assume you meant energy *efficient* lighting systems), "building automation and control systems," and "hybrid-electric vehicles."

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