2005 DRAFTING REQUEST

Senate Substitute Amendment (SSA-SB136)

Received: **01/23/2006**

Received By: **jkreye**

Wanted: **Today**

Identical to LRB:

For: **Legislative Fiscal Bureau**

By/Representing: **ron shanovich**

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

Drafter: **jkreye**

May Contact:

Addl. Drafters:

Subject: **Tax, Business - crp inc, fran**

Extra Copies:

Submit via email: **YES**

Requester's email: **ron.shanovich@legis.state.wi.us**

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

Pre Topic:

No specific pre topic given

Topic:

Airport development zones

Instructions:

See Attached

Drafting History:

Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	Jacketed	Required
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/2			jfrantze 01/24/2006	_____ _____	sbasford 01/24/2006	sbasford 01/24/2006	

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/1		1/24 lgf 1/24	jfrantze 01/23/2006	_____ _____	sbasford 01/23/2006	sbasford 01/23/2006	

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SENATE SUBSTITUTE AMENDMENT ,

TO 2005 SENATE BILL 136

in 1-23-06
due Tues AM
1-24

Regen

AN ACT ***to amend*** 71.07 (2dm) (a) 1., 71.07 (2dm) (a) 3., 71.07 (2dm) (f) 1., 71.07 (2dm) (j), 71.07 (2dm) (k), 71.07 (2dx) (a) 2., 71.07 (2dx) (b) (intro.), 71.07 (2dx) (c), 71.07 (2dx) (d), 71.28 (1dm) (a) 1., 71.28 (1dm) (a) 3., 71.28 (1dm) (f) 1., 71.28 (1dm) (j), 71.28 (1dm) (k), 71.28 (1dx) (a) 2., 71.28 (1dx) (b) (intro.), 71.28 (1dx) (c), 71.28 (1dx) (d), 71.47 (1dm) (a) 1., 71.47 (1dm) (a) 3., 71.47 (1dm) (f) 1., 71.47 (1dm) (j), 71.47 (1dm) (k), 71.47 (1dx) (a) 2., 71.47 (1dx) (b) (intro.), 71.47 (1dx) (c), 71.47 (1dx) (d), 234.03 (2m), 234.03 (11), 234.08 (1), 234.265 (2), 234.40 (4), 234.50 (4), 234.60 (2), 234.61 (1) and 234.66 (3) (b); and ***to create*** 234.63 and 560.799 of the statutes; **relating to:** creating income and franchise tax credits for businesses located in an airport development zone and a loan program for certain construction projects in an airport development zone.

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

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

71.07 **(2dm)** (a) 1. "Certified" means entitled under s. 560.795 (3) (a) 4. to claim tax benefits or certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4).

SECTION 2. 71.07 (2dm) (a) 3. of the statutes is amended to read:

71.07 **(2dm)** (a) 3. "Development zone" means a development opportunity zone under s. 560.795 (1) (e) and (f) or 560.798, or an airport development zone under s. 560.799.

SECTION 3. 71.07 (2dm) (f) 1. of the statutes is amended to read:

71.07 **(2dm)** (f) 1. A copy of a verification from the department of commerce that the claimant may claim tax benefits under s. 560.795 (3) (a) 4. or is certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4).

SECTION 4. 71.07 (2dm) (j) of the statutes is amended to read:

71.07 **(2dm)** (j) If a person who is entitled under s. 560.795 (3) (a) 4. to claim tax benefits becomes ineligible for such tax benefits, or if a person's certification under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4) 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.

SECTION 5. 71.07 (2dm) (k) of the statutes is amended to read:

71.07 **(2dm)** (k) If a person who is entitled under s. 560.795 (3) (a) 4. to claim tax benefits or certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4) ceases business operations in the development 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.

SECTION 6. 71.07 (2dx) (a) 2. of the statutes is amended to read:

71.07 **(2dx)** (a) 2. "Development zone" means a development zone under s. 560.70, a development opportunity zone under s. 560.795, an enterprise development zone under s. 560.797, ~~or~~ an agricultural development zone under s. 560.798, or an airport development zone under s. 560.799.

SECTION 7. 71.07 (2dx) (b) (intro.) of the statutes, as affected by 2005 Wisconsin Act 25, is amended to read:

71.07 **(2dx)** (b) *Credit.* (intro.) Except as provided in pars. (be) and (bg) and in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3), 560.797 (4) ~~or,~~ 560.798 (3), or 560.799 (4), any person may claim as a credit against the taxes otherwise due under this chapter the following amounts:

SECTION 8. 71.07 (2dx) (c) of the statutes is amended to read:

71.07 **(2dx)** (c) *Credit precluded.* If the certification of a person for tax benefits under s. 560.765 (3), 560.797 (4) ~~or,~~ 560.798 (3), or 560.799 (4) is revoked, or if the person becomes ineligible for tax benefits under s. 560.795 (3), that person may not claim credits under this subsection for the taxable year that includes the day on which the certification is revoked; the taxable year that includes the day on which the person becomes ineligible for tax benefits; or succeeding taxable years and that person may not carry over unused credits from previous years to offset tax under this chapter for the taxable year that includes the day on which certification is revoked;

the taxable year that includes the day on which the person becomes ineligible for tax benefits; or succeeding taxable years.

SECTION 9. 71.07 (2dx) (d) of the statutes is amended to read:

71.07 **(2dx)** (d) *Carry–over precluded.* If a person who is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3), 560.797 (4) ~~or~~, 560.798 (3), or 560.799 (4) for tax benefits ceases business operations in the development 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.

SECTION 10. 71.28 (1dm) (a) 1. of the statutes is amended to read:

71.28 **(1dm)** (a) 1. "Certified" means entitled under s. 560.795 (3) (a) 4. to claim tax benefits or certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4).

SECTION 11. 71.28 (1dm) (a) 3. of the statutes is amended to read:

71.28 **(1dm)** (a) 3. "Development zone" means a development opportunity zone under s. 560.795 (1) (e) and (f) or 560.798, or an airport development zone under s. 560.799.

SECTION 12. 71.28 (1dm) (f) 1. of the statutes is amended to read:

71.28 **(1dm)** (f) 1. A copy of a verification from the department of commerce that the claimant may claim tax benefits under s. 560.795 (3) (a) 4. or is certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4).

SECTION 13. 71.28 (1dm) (j) of the statutes is amended to read:

71.28 **(1dm)** (j) If a person who is entitled under s. 560.795 (3) (a) 4. to claim tax benefits becomes ineligible for such tax benefits, or if a person's certification under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4) 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.

SECTION 14. 71.28 (1dm) (k) of the statutes is amended to read:

71.28 **(1dm)** (k) If a person who is entitled under s. 560.795 (3) (a) 4. to claim tax benefits or certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4) ceases business operations in the development 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.

SECTION 15. 71.28 (1dx) (a) 2. of the statutes is amended to read:

71.28 **(1dx)** (a) 2. "Development zone" means a development zone under s. 560.70, a development opportunity zone under s. 560.795, an enterprise development zone under s. 560.797, ~~or~~ an agricultural development zone under s. 560.798, or an airport development zone under s. 560.799.

SECTION 16. 71.28 (1dx) (b) (intro.) of the statutes, as affected by 2005 Wisconsin Act 25, is amended to read:

71.28 **(1dx)** (b) *Credit.* (intro.) Except as provided in pars. (be) and (bg) and in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3),

560.797 (4) ~~or~~, 560.798 (3), or 560.799 (4), any person may claim as a credit against the taxes otherwise due under this chapter the following amounts:

SECTION 17. 71.28 (1dx) (c) of the statutes is amended to read:

71.28 **(1dx)** (c) *Credit precluded.* If the certification of a person for tax benefits under s. 560.765 (3), 560.797 (4) ~~or~~, 560.798 (3), or 560.799 (4) is revoked, or if the person becomes ineligible for tax benefits under s. 560.795 (3), that person may not claim credits under this subsection for the taxable year that includes the day on which the certification is revoked; the taxable year that includes the day on which the person becomes ineligible for tax benefits; or succeeding taxable years and that person may not carry over unused credits from previous years to offset tax under this chapter for the taxable year that includes the day on which certification is revoked; the taxable year that includes the day on which the person becomes ineligible for tax benefits; or succeeding taxable years.

SECTION 18. 71.28 (1dx) (d) of the statutes is amended to read:

71.28 **(1dx)** (d) *Carry–over precluded.* If a person who is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3), 560.797 (4) ~~or~~, 560.798 (3), or 560.799 (4) for tax benefits ceases business operations in the development 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.

SECTION 19. 71.47 (1dm) (a) 1. of the statutes is amended to read:

71.47 **(1dm)** (a) 1. "Certified" means entitled under s. 560.795 (3) (a) 4. to claim tax benefits or certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4).

SECTION 20. 71.47 (1dm) (a) 3. of the statutes is amended to read:

71.47 **(1dm)** (a) 3. "Development zone" means a development opportunity zone under s. 560.795 (1) (e) and (f) or 560.798, or an airport development zone under s. 560.799.

SECTION 21. 71.47 (1dm) (f) 1. of the statutes is amended to read:

71.47 **(1dm)** (f) 1. A copy of a verification from the department of commerce that the claimant may claim tax benefits under s. 560.795 (3) (a) 4. or is certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4).

SECTION 22. 71.47 (1dm) (j) of the statutes is amended to read:

71.47 **(1dm)** (j) If a person who is entitled under s. 560.795 (3) (a) 4. to claim tax benefits becomes ineligible for such tax benefits, or if a person's certification under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4) 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.

SECTION 23. 71.47 (1dm) (k) of the statutes is amended to read:

71.47 **(1dm)** (k) If a person who is entitled under s. 560.795 (3) (a) 4. to claim tax benefits or certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4) ceases business operations in the development 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.

SECTION 24. 71.47 (1dx) (a) 2. of the statutes is amended to read:

71.47 **(1dx)** (a) 2. "Development zone" means a development zone under s. 560.70, a development opportunity zone under s. 560.795 or an enterprise development zone under s. 560.797, ~~or~~ an agricultural development zone under s. 560.798, or an airport development zone under s. 560.799.

SECTION 25. 71.47 (1dx) (b) (intro.) of the statutes, as affected by 2005 Wisconsin Act 25, is amended to read:

71.47 **(1dx)** (b) *Credit.* (intro.) Except as provided in pars. (be) and (bg) and in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3), 560.797 (4) ~~or~~, 560.798 (3), or 560.799 (4), any person may claim as a credit against the taxes otherwise due under this chapter the following amounts:

SECTION 26. 71.47 (1dx) (c) of the statutes is amended to read:

71.47 **(1dx)** (c) *Credit precluded.* If the certification of a person for tax benefits under s. 560.765 (3), 560.797 (4) ~~or~~, 560.798 (3), or 560.799 (4) is revoked, or if the person becomes ineligible for tax benefits under s. 560.795 (3), that person may not claim credits under this subsection for the taxable year that includes the day on which the certification is revoked; the taxable year that includes the day on which the person becomes ineligible for tax benefits; or succeeding taxable years and that person may not carry over unused credits from previous years to offset tax under this chapter for the taxable year that includes the day on which certification is revoked; the taxable year that includes the day on which the person becomes ineligible for tax benefits; or succeeding taxable years.

SECTION 27. 71.47 (1dx) (d) of the statutes is amended to read:

71.47 **(1dx)** (d) *Carry–over precluded.* If a person who is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3), 560.797 (4) ~~or~~, 560.798 (3), or 560.799 (4) for tax benefits ceases business operations in the development 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.

SECTION 28. 234.03 (2m) of the statutes is amended to read:

234.03 **(2m)** To issue notes and bonds in accordance with ss. 234.08, 234.40, 234.50, 234.60, 234.61, 234.626, 234.63, 234.65, and 234.66.

SECTION 29. 234.03 (11) of the statutes is amended to read:

234.03 **(11)** To collect fees and charges on mortgage loans and economic development loans and airport development loans under s. 234.63 (3) for the purpose of paying all or a portion of authority costs as the authority determines are reasonable and as approved by the authority.

SECTION 30. 234.08 (1) of the statutes is amended to read:

234.08 **(1)** The authority may issue its negotiable notes and bonds in such principal amount, as, in the opinion of the authority, is necessary to provide sufficient funds for achieving its corporate purposes, including the purchase of certain mortgages and securities and the making of secured loans for low– and moderate–income housing, for the rehabilitation of existing structures and for the construction of facilities appurtenant thereto as provided in this chapter; for the making of secured loans to assist eligible elderly homeowners in paying property taxes and special assessments; for the payment of interest on notes and bonds of the authority during construction; for the awarding of airport development loans under

s. 234.63 (3); for the establishment of reserves to secure such notes and bonds; for the provision of moneys for the housing development fund in order to make temporary loans to sponsors of housing projects as provided in this chapter; and for all other expenditures of the authority incident to and necessary or convenient to carry out its corporate purposes and powers.

SECTION 31. 234.265 (2) of the statutes is amended to read:

234.265 **(2)** Records or portions of records consisting of personal or financial information provided by a person seeking a grant or loan under s. 234.08, 234.49, 234.59, 234.61, 234.63, 234.65, 234.67, 234.83, 234.84, 234.90, 234.905, 234.907, or 234.91, seeking a loan under ss. 234.621 to 234.626, seeking financial assistance under s. 234.66, seeking investment of funds under s. 234.03 (18m), or in which the authority has invested funds under s. 234.03 (18m), unless the person consents to disclosure of the information.

SECTION 32. 234.40 (4) of the statutes is amended to read:

234.40 **(4)** The limitations established in ss. 234.18 (1), 234.50, 234.60, 234.61, 234.63, 234.65, and 234.66 are not applicable to bonds issued under the authority of this section. The authority may not have outstanding at any one time bonds for veterans housing loans in an aggregate principal amount exceeding $61,945,000, excluding bonds being issued to refund outstanding bonds.

SECTION 33. 234.50 (4) of the statutes is amended to read:

234.50 **(4)** The limitations established in ss. 234.18 (1), 234.40, 234.60, 234.61, 234.63, 234.65, and 234.66 are not applicable to bonds issued under the authority of this section. The authority may not have outstanding at any one time bonds for housing rehabilitation loans in an aggregate principal amount exceeding $100,000,000, excluding bonds being issued to refund outstanding bonds. The

authority shall consult with and coordinate the issuance of bonds with the building commission prior to the issuance of bonds.

SECTION 34. 234.60 (2) of the statutes, as affected by 2005 Wisconsin Act 75, is amended to read:

234.60 **(2)** The limitations in ss. 234.18 (1), 234.40, 234.50, 234.61, 234.63, 234.65, and 234.66 do not apply to bonds or notes issued under this section.

SECTION 35. 234.61 (1) of the statutes is amended to read:

234.61 **(1)** Upon the authorization of the department of health and family services, the authority may issue bonds or notes and make loans for the financing of housing projects which are residential facilities as defined in s. 46.28 (1) (d) and the development costs of those housing projects, if the department of health and family services has approved the residential facilities for financing under s. 46.28 (2). The limitations in ss. 234.18 (1), 234.40, 234.50, 234.60, 234.63, 234.65, and 234.66 do not apply to bonds or notes issued under this section. The definition of "nonprofit corporation" in s. 234.01 (9) does not apply to this section.

SECTION 36. 234.63 of the statutes is created to read:

234.63 Airport development zone loan program. (1) There is established a loan program to be known as the "Wisconsin Airport Development Zone Loan Program."

(2) (a) For the purpose of awarding loans under sub. (3), the authority may issue bonds in an aggregate principal amount not to exceed $200,000,000, excluding bonds issued to refund outstanding bonds issued under this paragraph. Bonds issued under this paragraph shall be special obligations of the authority payable solely out of revenues received in connection with the loan program under sub. (1), including specifically repayments of the loans awarded under sub. (3) and the proceeds of bonds issued under this paragraph. All assets and liabilities created

through the issuance of bonds under this paragraph shall be separate from all other assets and liabilities of the authority.

(b) The limits in ss. 234.18 (1), 234.40, 234.50, 234.60, 234.61, 234.65, and 234.66 do not apply to bonds issued under par. (a).

(c) The authority shall employ the building commission as its financial consultant to assist and coordinate the issuance of bonds under par. (a).

(3) (a) The authority may award a loan to a business, including an airport, for the purpose of financing the construction or expansion of an airport in an airport development zone established under s. 560.799, including financing activities to increase the number of flights to and from the airport or to encourage airlines that do not offer flights to and from the airport to offer such flights.

(b) The authority shall charge a rate of interest for each loan awarded under par. (a) that reasonably approximates that portion of the amount required to repay the principal and interest of the bonds issued under par. (a), plus the cost of issuing the bonds, that is allocable to the loan.

, as affected by 2005 Wisconsin Act 45,

SECTION 37. 234.66 (3) (b) of the statutes is amended to read:

234.66 **(3)** (b) The limits in ss. 234.18 (1), 234.40, 234.50, 234.60, 234.61, 234.63, and 234.65 do not apply to bonds or notes issued under this section.

plain

SECTION 38. 560.799 of the statutes is created to read:

560.799 Airport development zones. (1) DEFINITIONS. In this section:

(a) "Airport development project" means a business that locates or expands in an area designated as an airport development zone in this state.

(b) "Full–time job" has the meaning given in s. 560.70 (2m).

(c) "Target population" has the meaning given in s. 560.70 (6).

(d) "Tax benefits" means the development zones capital investment credit under ss. 71.07 (2dm), 71.28 (1dm), and 71.47 (1dm) and the development zones credit under ss. 71.07 (2dx), 71.28 (1dx), and 71.47 (1dx).

(2) DESIGNATION OF AN AIRPORT DEVELOPMENT ZONE. (a) Subject to par. (c), the department may designate an area as an airport development zone if the department determines all of the following:

1. That an airport development project is desired for the area, as evidenced by a resolution of the governing body of each county, city, village, and town in which territory of the airport development zone will be located.

2. That the airport development project serves a public purpose.

3. That the airport development project will likely retain or increase employment in the state.

4. That the airport development project is not likely to occur or continue without the department's designation of the area as an airport development zone.

5. That the airport development project will likely positively affect the area.

6. That an airport is located in the area designated as an airport development zone, that the airport has at least 2 runways at the time of the designation, and that the airport's primary runway is at least 5,000 feet in length and its secondary runway is at least 3,000 feet in length.

(b) In making a determination under par. (a), the department shall consider all of the following:

1. The extent of poverty, unemployment, or other factors contributing to general economic hardship in the area.

2. The prospects for new investment and economic development in the area.

3. The amount of investment that is likely to result from the airport development project.

4. The number of full–time jobs that are likely to be created as a result of the airport development project.

5. The number of full–time jobs that are likely to be available to the target population as a result of the project.

6. The competitive effect of designating the area as an airport development zone on other businesses in the area.

7. The needs of other areas of the state.

8. Any other factors that the department considers relevant.

(c) 1. The department may not designate as an airport development zone, or as any part of an airport development zone, an area that is located within the boundaries of an area that is designated as a development zone under s. 560.71, as a development opportunity zone under s. 560.795, or as an enterprise development zone under s. 560.797.

2. The department shall give the department of transportation the opportunity to review and comment on any proposed designation under this subsection.

(3) DURATION OF DESIGNATION; LIMITS ON TAX BENEFITS. (a) When the department designates an area as an airport development zone, the department shall specify the length of time, not to exceed 84 months, that the designation is effective, subject to par. (d). The department shall notify each person certified for tax benefits in an airport development zone, the department of revenue, the department of transportation, the Wisconsin Housing and Economic Development Authority, and the governing body of each county, city, village, town, and federally recognized

American Indian tribe or band in which territory of the airport development zone is located of the designation of and expiration date of the airport development zone.

(b) When the department designates an area as an airport development zone, the department shall establish a limit, not to exceed $3,000,000, for tax benefits applicable to the airport development zone. The total tax benefits applicable to all airport development zones may not exceed $9,000,000. The department may, after 48 months from the month of any designation under this section, evaluate the area designated as an airport development zone and reallocate the amount of available tax benefits.

(c) Annually, the department shall estimate the amount of forgone state revenue because of tax benefits claimed by persons in each airport development zone.

(d) 1. Notwithstanding the length of time specified by the department under par. (a), the designation of an area as an airport development zone shall expire 90 days after the day on which the department determines that the forgone tax revenues estimated under par. (c) will equal or exceed the limit established for the airport development zone.

2. The department shall immediately notify each person certified for tax benefits in an airport development zone, the department of revenue, the department of transportation, the Wisconsin Housing and Economic Development Authority, and the governing body of each county, city, village, town, and federally recognized American Indian tribe or band in which territory of the airport development zone is located of a change in the expiration date of the airport development zone under this paragraph.

insert 15-10

(4) CERTIFICATION FOR TAX BENEFITS. (a) A person that intends to operate a place of business in an airport development zone may submit to the department an application and a business plan. The business plan shall include all of the following:

1. The name and address of the person's business for which tax benefits will be claimed.

2. The appropriate Wisconsin tax identification number of the person.

3. The names and addresses of other locations outside of the airport development zone where the person conducts business and a description of the business activities conducted at those locations.

4. The amount that the person proposes to invest in the place of business or to spend on the construction, rehabilitation, repair, or remodeling of a building in the airport development zone.

5. The estimated total investment of the person in the airport development zone.

6. The estimated number of full–time jobs that will be created, retained, or substantially upgraded as a result of the person's place of business in the airport development zone in relation to the amount of tax benefits estimated for the person.

7. The person's plans to make reasonable attempts to hire employees from the target population.

8. The estimated number of full–time jobs that will be filled by members of the target population.

10. Any other information required by the department or the department of revenue.

(b) If the department approves a business plan under par. (a), the department shall certify the person as eligible for tax benefits. The department shall notify the department of revenue within 30 days of certifying a person under this paragraph.

(c) The department shall revoke a person's certification under par. (b) when the designation of the applicable airport development zone expires or if the person does any of the following:

1. Supplies false or misleading information to obtain the tax benefits.

2. Leaves the airport development zone to conduct substantially the same business outside of the airport development zone.

3. Ceases operations in the airport development zone and does not renew operation of the business or a similar business in the airport development zone within 12 months.

(d) The department shall notify the department of revenue within 30 days after revoking a certification under par. (c).

(e) The tax benefits for which a person is certified as eligible under par. (b) are not transferable to another person, business, or location, except to the extent permitted under section 383 of the Internal Revenue Code.

(5) VERIFICATION OF INFORMATION. The department annually shall verify information submitted to the department under ss. 71.07 (2dm) and (2dx), 71.28 (1dm) and (1dx), and 71.47 (1dm) and (1dx) as it relates to airport development zones.

SECTION 39. Initial applicability.

(1) The treatment of sections 71.07 (2dm) (a) 1. and 3., (f) 1., (j), and (k), and (2dx) (a) 2., (b) (intro.), (c), and (d), 71.28 (1dm) (a) 1. and 3., (f) 1., (j), and (k), and (1dx) (a) 2., (b) (intro.), (c), and (d), and 71.47 (1dm) (a) 1. and 3., (f) 1., (j), and (k),

and (1dx) (a) 2., (b) (intro.), (c), and (d) of the statutes first applies to taxable years beginning on January 1, 2007.

(END)

SENATE AMENDMENT 4,
TO 2005 SENATE BILL 136

November 29, 2005 – Offered by Senator ROESSLER.

INSERT 15-10

At the locations indicated, amend the bill as follows:

1. Page 16, line 17: after "(c)" insert "1.".

2. Page 16, line 21: after that line insert:

"2. The department shall give the department of transportation the opportunity to review and comment on any proposed designation under this subsection and the department of transportation may deny any such designation if the department of transportation determines that the designation would compromise the airport's safety or utility. The department of transportation may also review and comment on any land use or compatibility issues related to any proposed designation under this subsection.

3. A proposed designation under this subsection shall comply with all relevant local ordinances." (end ins 15-10)

(END)

2005 – 2006 LEGISLATURE

LRBs0478/1
JK&MES:cmh/kf/jd:jf

SENATE SUBSTITUTE AMENDMENT ,

TO 2005 SENATE BILL 136

AN ACT ***to amend*** 71.07 (2dm) (a) 1., 71.07 (2dm) (a) 3., 71.07 (2dm) (f) 1., 71.07 (2dm) (j), 71.07 (2dm) (k), 71.07 (2dx) (a) 2., 71.07 (2dx) (b) (intro.), 71.07 (2dx) (c), 71.07 (2dx) (d), 71.28 (1dm) (a) 1., 71.28 (1dm) (a) 3., 71.28 (1dm) (f) 1., 71.28 (1dm) (j), 71.28 (1dm) (k), 71.28 (1dx) (a) 2., 71.28 (1dx) (b) (intro.), 71.28 (1dx) (c), 71.28 (1dx) (d), 71.47 (1dm) (a) 1., 71.47 (1dm) (a) 3., 71.47 (1dm) (f) 1., 71.47 (1dm) (j), 71.47 (1dm) (k), 71.47 (1dx) (a) 2., 71.47 (1dx) (b) (intro.), 71.47 (1dx) (c), 71.47 (1dx) (d), 234.03 (2m), 234.03 (11), 234.08 (1), 234.265 (2), 234.40 (4), 234.50 (4), 234.60 (2), 234.61 (1) and 234.66 (3) (b); and ***to create*** 234.63 and 560.799 of the statutes; **relating to:** creating income and franchise tax credits for businesses located in an airport development zone and a loan program for certain construction projects in an airport development zone.

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

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

71.07 **(2dm)** (a) 1. "Certified" means entitled under s. 560.795 (3) (a) 4. to claim tax benefits or certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4).

SECTION 2. 71.07 (2dm) (a) 3. of the statutes is amended to read:

71.07 **(2dm)** (a) 3. "Development zone" means a development opportunity zone under s. 560.795 (1) (e) and (f) or 560.798, or an airport development zone under s. 560.799.

SECTION 3. 71.07 (2dm) (f) 1. of the statutes is amended to read:

71.07 **(2dm)** (f) 1. A copy of a verification from the department of commerce that the claimant may claim tax benefits under s. 560.795 (3) (a) 4. or is certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4).

SECTION 4. 71.07 (2dm) (j) of the statutes is amended to read:

71.07 **(2dm)** (j) If a person who is entitled under s. 560.795 (3) (a) 4. to claim tax benefits becomes ineligible for such tax benefits, or if a person's certification under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4) 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.

SECTION 5. 71.07 (2dm) (k) of the statutes is amended to read:

71.07 **(2dm)** (k) If a person who is entitled under s. 560.795 (3) (a) 4. to claim tax benefits or certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4) ceases

business operations in the development 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.

SECTION 6. 71.07 (2dx) (a) 2. of the statutes is amended to read:

71.07 **(2dx)** (a) 2. "Development zone" means a development zone under s. 560.70, a development opportunity zone under s. 560.795, an enterprise development zone under s. 560.797, ~~or~~ an agricultural development zone under s. 560.798, or an airport development zone under s. 560.799.

SECTION 7. 71.07 (2dx) (b) (intro.) of the statutes, as affected by 2005 Wisconsin Act 25, is amended to read:

71.07 **(2dx)** (b) *Credit.* (intro.) Except as provided in pars. (be) and (bg) and in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3), 560.797 (4) ~~or~~, 560.798 (3), or 560.799 (4), any person may claim as a credit against the taxes otherwise due under this chapter the following amounts:

SECTION 8. 71.07 (2dx) (c) of the statutes is amended to read:

71.07 **(2dx)** (c) *Credit precluded.* If the certification of a person for tax benefits under s. 560.765 (3), 560.797 (4) ~~or~~, 560.798 (3), or 560.799 (4) is revoked, or if the person becomes ineligible for tax benefits under s. 560.795 (3), that person may not claim credits under this subsection for the taxable year that includes the day on which the certification is revoked; the taxable year that includes the day on which the person becomes ineligible for tax benefits; or succeeding taxable years and that person may not carry over unused credits from previous years to offset tax under this chapter for the taxable year that includes the day on which certification is revoked;

the taxable year that includes the day on which the person becomes ineligible for tax benefits; or succeeding taxable years.

SECTION 9. 71.07 (2dx) (d) of the statutes is amended to read:

71.07 **(2dx)** (d) *Carry–over precluded.* If a person who is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3), 560.797 (4) ~~or~~, 560.798 (3), or 560.799 (4) for tax benefits ceases business operations in the development 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.

SECTION 10. 71.28 (1dm) (a) 1. of the statutes is amended to read:

71.28 **(1dm)** (a) 1. "Certified" means entitled under s. 560.795 (3) (a) 4. to claim tax benefits or certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4).

SECTION 11. 71.28 (1dm) (a) 3. of the statutes is amended to read:

71.28 **(1dm)** (a) 3. "Development zone" means a development opportunity zone under s. 560.795 (1) (e) and (f) or 560.798, or an airport development zone under s. 560.799.

SECTION 12. 71.28 (1dm) (f) 1. of the statutes is amended to read:

71.28 **(1dm)** (f) 1. A copy of a verification from the department of commerce that the claimant may claim tax benefits under s. 560.795 (3) (a) 4. or is certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4).

SECTION 13. 71.28 (1dm) (j) of the statutes is amended to read:

71.28 **(1dm)** (j) If a person who is entitled under s. 560.795 (3) (a) 4. to claim tax benefits becomes ineligible for such tax benefits, or if a person's certification under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4) 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.

SECTION 14. 71.28 (1dm) (k) of the statutes is amended to read:

71.28 **(1dm)** (k) If a person who is entitled under s. 560.795 (3) (a) 4. to claim tax benefits or certified under s. 560.795 (5) ~~or,~~ 560.798 (3), or 560.799 (4) ceases business operations in the development 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.

SECTION 15. 71.28 (1dx) (a) 2. of the statutes is amended to read:

71.28 **(1dx)** (a) 2. "Development zone" means a development zone under s. 560.70, a development opportunity zone under s. 560.795, an enterprise development zone under s. 560.797, ~~or~~ an agricultural development zone under s. 560.798, or an airport development zone under s. 560.799.

SECTION 16. 71.28 (1dx) (b) (intro.) of the statutes, as affected by 2005 Wisconsin Act 25, is amended to read:

71.28 **(1dx)** (b) *Credit.* (intro.) Except as provided in pars. (be) and (bg) and in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3),

560.797 (4) ~~or~~, 560.798 (3), or 560.799 (4), any person may claim as a credit against the taxes otherwise due under this chapter the following amounts:

SECTION 17. 71.28 (1dx) (c) of the statutes is amended to read:

71.28 **(1dx)** (c) *Credit precluded.* If the certification of a person for tax benefits under s. 560.765 (3), 560.797 (4) ~~or~~, 560.798 (3), or 560.799 (4) is revoked, or if the person becomes ineligible for tax benefits under s. 560.795 (3), that person may not claim credits under this subsection for the taxable year that includes the day on which the certification is revoked; the taxable year that includes the day on which the person becomes ineligible for tax benefits; or succeeding taxable years and that person may not carry over unused credits from previous years to offset tax under this chapter for the taxable year that includes the day on which certification is revoked; the taxable year that includes the day on which the person becomes ineligible for tax benefits; or succeeding taxable years.

SECTION 18. 71.28 (1dx) (d) of the statutes is amended to read:

71.28 **(1dx)** (d) *Carry–over precluded.* If a person who is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3), 560.797 (4) ~~or~~, 560.798 (3), or 560.799 (4) for tax benefits ceases business operations in the development 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.

SECTION 19. 71.47 (1dm) (a) 1. of the statutes is amended to read:

71.47 **(1dm)** (a) 1. "Certified" means entitled under s. 560.795 (3) (a) 4. to claim tax benefits or certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4).

SECTION 20. 71.47 (1dm) (a) 3. of the statutes is amended to read:

71.47 **(1dm)** (a) 3. "Development zone" means a development opportunity zone under s. 560.795 (1) (e) and (f) or 560.798, or an airport development zone under s. 560.799.

SECTION 21. 71.47 (1dm) (f) 1. of the statutes is amended to read:

71.47 **(1dm)** (f) 1. A copy of a verification from the department of commerce that the claimant may claim tax benefits under s. 560.795 (3) (a) 4. or is certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4).

SECTION 22. 71.47 (1dm) (j) of the statutes is amended to read:

71.47 **(1dm)** (j) If a person who is entitled under s. 560.795 (3) (a) 4. to claim tax benefits becomes ineligible for such tax benefits, or if a person's certification under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4) 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.

SECTION 23. 71.47 (1dm) (k) of the statutes is amended to read:

71.47 **(1dm)** (k) If a person who is entitled under s. 560.795 (3) (a) 4. to claim tax benefits or certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4) ceases business operations in the development 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.

SECTION 24. 71.47 (1dx) (a) 2. of the statutes is amended to read:

71.47 **(1dx)** (a) 2. "Development zone" means a development zone under s. 560.70, a development opportunity zone under s. 560.795 or an enterprise development zone under s. 560.797, ~~or~~ an agricultural development zone under s. 560.798, or an airport development zone under s. 560.799.

SECTION 25. 71.47 (1dx) (b) (intro.) of the statutes, as affected by 2005 Wisconsin Act 25, is amended to read:

71.47 **(1dx)** (b) *Credit.* (intro.) Except as provided in pars. (be) and (bg) and in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3), 560.797 (4) ~~or~~, 560.798 (3), or 560.799 (4), any person may claim as a credit against the taxes otherwise due under this chapter the following amounts:

SECTION 26. 71.47 (1dx) (c) of the statutes is amended to read:

71.47 **(1dx)** (c) *Credit precluded.* If the certification of a person for tax benefits under s. 560.765 (3), 560.797 (4) ~~or~~, 560.798 (3), or 560.799 (4) is revoked, or if the person becomes ineligible for tax benefits under s. 560.795 (3), that person may not claim credits under this subsection for the taxable year that includes the day on which the certification is revoked; the taxable year that includes the day on which the person becomes ineligible for tax benefits; or succeeding taxable years and that person may not carry over unused credits from previous years to offset tax under this chapter for the taxable year that includes the day on which certification is revoked; the taxable year that includes the day on which the person becomes ineligible for tax benefits; or succeeding taxable years.

SECTION 27. 71.47 (1dx) (d) of the statutes is amended to read:

71.47 **(1dx)** (d) *Carry–over precluded.* If a person who is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3), 560.797 (4) ~~or~~, 560.798 (3), or 560.799 (4) for tax benefits ceases business operations in the development 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.

SECTION 28. 234.03 (2m) of the statutes is amended to read:

234.03 **(2m)** To issue notes and bonds in accordance with ss. 234.08, 234.40, 234.50, 234.60, 234.61, 234.626, 234.63, 234.65, and 234.66.

SECTION 29. 234.03 (11) of the statutes is amended to read:

234.03 **(11)** To collect fees and charges on mortgage loans and economic development loans and airport development loans under s. 234.63 (3) for the purpose of paying all or a portion of authority costs as the authority determines are reasonable and as approved by the authority.

SECTION 30. 234.08 (1) of the statutes is amended to read:

234.08 **(1)** The authority may issue its negotiable notes and bonds in such principal amount, as, in the opinion of the authority, is necessary to provide sufficient funds for achieving its corporate purposes, including the purchase of certain mortgages and securities and the making of secured loans for low– and moderate–income housing, for the rehabilitation of existing structures and for the construction of facilities appurtenant thereto as provided in this chapter; for the making of secured loans to assist eligible elderly homeowners in paying property taxes and special assessments; for the payment of interest on notes and bonds of the authority during construction; for the awarding of airport development loans under

s. 234.63 (3); for the establishment of reserves to secure such notes and bonds; for the provision of moneys for the housing development fund in order to make temporary loans to sponsors of housing projects as provided in this chapter; and for all other expenditures of the authority incident to and necessary or convenient to carry out its corporate purposes and powers.

SECTION 31. 234.265 (2) of the statutes, as affected by 2005 Wisconsin Act 75, is amended to read:

234.265 **(2)** Records or portions of records consisting of personal or financial information provided by a person seeking a grant or loan under s. 234.04, 234.08, 234.49, 234.59, 234.61, 234.63, 234.65, 234.67, 234.83, 234.84, 234.90, 234.905, 234.907, or 234.91, seeking a loan under ss. 234.621 to 234.626, seeking financial assistance under s. 234.66, seeking investment of funds under s. 234.03 (18m), or in which the authority has invested funds under s. 234.03 (18m), unless the person consents to disclosure of the information.

SECTION 32. 234.40 (4) of the statutes, as affected by 2005 Wisconsin Act 75, is amended to read:

234.40 **(4)** The limitations established in ss. 234.18, 234.50, 234.60, 234.61, 234.63, 234.65, and 234.66 are not applicable to bonds issued under the authority of this section. The authority may not have outstanding at any one time bonds for veterans housing loans in an aggregate principal amount exceeding $61,945,000, excluding bonds being issued to refund outstanding bonds.

SECTION 33. 234.50 (4) of the statutes, as affected by 2005 Wisconsin Act 75, is amended to read:

234.50 **(4)** The limitations established in ss. 234.18, 234.40, 234.60, 234.61, 234.63, 234.65, and 234.66 are not applicable to bonds issued under the authority of

this section. The authority may not have outstanding at any one time bonds for housing rehabilitation loans in an aggregate principal amount exceeding $100,000,000, excluding bonds being issued to refund outstanding bonds. The authority shall consult with and coordinate the issuance of bonds with the building commission prior to the issuance of bonds.

SECTION 34. 234.60 (2) of the statutes, as affected by 2005 Wisconsin Act 75, is amended to read:

234.60 **(2)** The limitations in ss. 234.18, 234.40, 234.50, 234.61, 234.63, 234.65, and 234.66 do not apply to bonds or notes issued under this section.

SECTION 35. 234.61 (1) of the statutes, as affected by 2005 Wisconsin Act 75, is amended to read:

234.61 **(1)** Upon the authorization of the department of health and family services, the authority may issue bonds or notes and make loans for the financing of housing projects which are residential facilities as defined in s. 46.28 (1) (d) and the development costs of those housing projects, if the department of health and family services has approved the residential facilities for financing under s. 46.28 (2). The limitations in ss. 234.18, 234.40, 234.50, 234.60, 234.63, 234.65, and 234.66 do not apply to bonds or notes issued under this section. The definition of "nonprofit corporation" in s. 234.01 (9) does not apply to this section.

SECTION 36. 234.63 of the statutes is created to read:

234.63 Airport development zone loan program. (1) There is established a loan program to be known as the "Wisconsin Airport Development Zone Loan Program."

(2) (a) For the purpose of awarding loans under sub. (3), the authority may issue bonds in an aggregate principal amount not to exceed $200,000,000, excluding

bonds issued to refund outstanding bonds issued under this paragraph. Bonds issued under this paragraph shall be special obligations of the authority payable solely out of revenues received in connection with the loan program under sub. (1), including specifically repayments of the loans awarded under sub. (3) and the proceeds of bonds issued under this paragraph. All assets and liabilities created through the issuance of bonds under this paragraph shall be separate from all other assets and liabilities of the authority.

(b) The limits in ss. 234.18 (1), 234.40, 234.50, 234.60, 234.61, 234.65, and 234.66 do not apply to bonds issued under par. (a).

(c) The authority shall employ the building commission as its financial consultant to assist and coordinate the issuance of bonds under par. (a).

(3) (a) The authority may award a loan to a business, including an airport, for the purpose of financing the construction or expansion of an airport in an airport development zone established under s. 560.799, including financing activities to increase the number of flights to and from the airport or to encourage airlines that do not offer flights to and from the airport to offer such flights.

(b) The authority shall charge a rate of interest for each loan awarded under par. (a) that reasonably approximates that portion of the amount required to repay the principal and interest of the bonds issued under par. (a), plus the cost of issuing the bonds, that is allocable to the loan.

SECTION 37. 234.66 (3) (b) of the statutes, as affected by 2005 Wisconsin Act 75, is amended to read:

234.66 **(3)** (b) The limits in ss. 234.18, 234.40, 234.50, 234.60, 234.61, 234.63, and 234.65 do not apply to bonds or notes issued under this section.

SECTION 38. 560.799 of the statutes is created to read:

560.799 Airport development zones. (1) DEFINITIONS. In this section:

(a) "Airport development project" means a business that locates or expands in an area designated as an airport development zone in this state.

(b) "Full–time job" has the meaning given in s. 560.70 (2m).

(c) "Target population" has the meaning given in s. 560.70 (6).

(d) "Tax benefits" means the development zones capital investment credit under ss. 71.07 (2dm), 71.28 (1dm), and 71.47 (1dm) and the development zones credit under ss. 71.07 (2dx), 71.28 (1dx), and 71.47 (1dx).

(2) DESIGNATION OF AN AIRPORT DEVELOPMENT ZONE. (a) Subject to par. (c), the department may designate an area as an airport development zone if the department determines all of the following:

1. That an airport development project is desired for the area, as evidenced by a resolution of the governing body of each county, city, village, and town in which territory of the airport development zone will be located.

2. That the airport development project serves a public purpose.

3. That the airport development project will likely retain or increase employment in the state.

4. That the airport development project is not likely to occur or continue without the department's designation of the area as an airport development zone.

5. That the airport development project will likely positively affect the area.

6. That an airport is located in the area designated as an airport development zone, that the airport has at least 2 runways at the time of the designation, and that the airport's primary runway is at least 5,000 feet in length and its secondary runway is at least 3,000 feet in length.

(b) In making a determination under par. (a), the department shall consider all of the following:

1. The extent of poverty, unemployment, or other factors contributing to general economic hardship in the area.

2. The prospects for new investment and economic development in the area.

3. The amount of investment that is likely to result from the airport development project.

4. The number of full–time jobs that are likely to be created as a result of the airport development project.

5. The number of full–time jobs that are likely to be available to the target population as a result of the project.

6. The competitive effect of designating the area as an airport development zone on other businesses in the area.

7. The needs of other areas of the state.

8. Any other factors that the department considers relevant.

(c) 1. The department may not designate as an airport development zone, or as any part of an airport development zone, an area that is located within the boundaries of an area that is designated as a development zone under s. 560.71, as a development opportunity zone under s. 560.795, or as an enterprise development zone under s. 560.797.

2. The department shall give the department of transportation the opportunity to review and comment on any proposed designation under this subsection.

(3) DURATION OF DESIGNATION; LIMITS ON TAX BENEFITS. (a) When the department designates an area as an airport development zone, the department shall specify the length of time, not to exceed 84 months, that the designation is effective, subject to

INSERT 14-22 (from next page)

par. (d). The department shall notify each person certified for tax benefits in an airport development zone, the department of revenue, the department of transportation, the Wisconsin Housing and Economic Development Authority, and the governing body of each county, city, village, town, and federally recognized American Indian tribe or band in which territory of the airport development zone is located of the designation of and expiration date of the airport development zone.

(b) When the department designates an area as an airport development zone, the department shall establish a limit, not to exceed $3,000,000, for tax benefits applicable to the airport development zone. The total tax benefits applicable to all airport development zones may not exceed $9,000,000. The department may, after 48 months from the month of any designation under this section, evaluate the area designated as an airport development zone and reallocate the amount of available tax benefits.

(c) 1. Annually, the department shall estimate the amount of forgone state revenue because of tax benefits claimed by persons in each airport development zone.

2. The department shall give the department of transportation the opportunity to review and comment on any proposed designation under this subsection and the department of transportation may deny any such designation if the department of transportation determines that the designation would compromise the airport's safety or utility. The department of transportation may also review and comment on any land use or compatibility issues related to any proposed designation under this subsection.

3. A proposed designation under this subsection shall comply with all relevant local ordinances.

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(d) 1. Notwithstanding the length of time specified by the department under par. (a), the designation of an area as an airport development zone shall expire 90 days after the day on which the department determines that the forgone tax revenues estimated under par. (c) will equal or exceed the limit established for the airport development zone.

2. The department shall immediately notify each person certified for tax benefits in an airport development zone, the department of revenue, the department of transportation, the Wisconsin Housing and Economic Development Authority, and the governing body of each county, city, village, town, and federally recognized American Indian tribe or band in which territory of the airport development zone is located of a change in the expiration date of the airport development zone under this paragraph.

(4) CERTIFICATION FOR TAX BENEFITS. (a) A person that intends to operate a place of business in an airport development zone may submit to the department an application and a business plan. The business plan shall include all of the following:

1. The name and address of the person's business for which tax benefits will be claimed.

2. The appropriate Wisconsin tax identification number of the person.

3. The names and addresses of other locations outside of the airport development zone where the person conducts business and a description of the business activities conducted at those locations.

4. The amount that the person proposes to invest in the place of business or to spend on the construction, rehabilitation, repair, or remodeling of a building in the airport development zone.

5. The estimated total investment of the person in the airport development zone.

6. The estimated number of full–time jobs that will be created, retained, or substantially upgraded as a result of the person's place of business in the airport development zone in relation to the amount of tax benefits estimated for the person.

7. The person's plans to make reasonable attempts to hire employees from the target population.

8. The estimated number of full–time jobs that will be filled by members of the target population.

10. Any other information required by the department or the department of revenue.

(b) If the department approves a business plan under par. (a), the department shall certify the person as eligible for tax benefits. The department shall notify the department of revenue within 30 days of certifying a person under this paragraph.

(c) The department shall revoke a person's certification under par. (b) when the designation of the applicable airport development zone expires or if the person does any of the following:

1. Supplies false or misleading information to obtain the tax benefits.

2. Leaves the airport development zone to conduct substantially the same business outside of the airport development zone.

3. Ceases operations in the airport development zone and does not renew operation of the business or a similar business in the airport development zone within 12 months.

(d) The department shall notify the department of revenue within 30 days after revoking a certification under par. (c).

(e) The tax benefits for which a person is certified as eligible under par. (b) are not transferable to another person, business, or location, except to the extent permitted under section 383 of the Internal Revenue Code.

(5) VERIFICATION OF INFORMATION. The department annually shall verify information submitted to the department under ss. 71.07 (2dm) and (2dx), 71.28 (1dm) and (1dx), and 71.47 (1dm) and (1dx) as it relates to airport development zones.

SECTION 39. Initial applicability.

(1) The treatment of sections 71.07 (2dm) (a) 1. and 3., (f) 1., (j), and (k), and (2dx) (a) 2., (b) (intro.), (c), and (d), 71.28 (1dm) (a) 1. and 3., (f) 1., (j), and (k), and (1dx) (a) 2., (b) (intro.), (c), and (d), and 71.47 (1dm) (a) 1. and 3., (f) 1., (j), and (k), and (1dx) (a) 2., (b) (intro.), (c), and (d) of the statutes first applies to taxable years beginning on January 1, 2007.

(END)