



2005 SENATE BILL 184

April 22, 2005 - Introduced by Senators STEPP, KANAVAS, ZIEN and ROESSLER, cosponsored by Representatives VOS, MCCORMICK, KRAWCZYK, KREIBICH and FREESE. Referred to Committee on Job Creation, Economic Development and Consumer Affairs.

1 **AN ACT to repeal** 71.10 (3) (ac), 71.10 (4) (gg), 71.10 (4) (grb), 71.10 (4) (grd), 71.10
2 (4) (gu), 71.30 (3) (eg), 71.30 (3) (emb), 71.30 (3) (eom), 71.30 (3) (eon), 71.49 (1)
3 (eg), 71.49 (1) (emb), 71.49 (1) (eom) and 71.49 (1) (eon); **to amend** 71.07 (2di)
4 (c), 71.07 (2dm) (h), 71.07 (2dx) (e), 71.07 (3g) (c), 71.10 (4) (i), 71.28 (1di) (c),
5 71.28 (1dm) (h), 71.28 (1dx) (e), 71.28 (3g) (c), 71.30 (3) (f), 71.47 (1di) (c), 71.47
6 (1dm) (h), 71.47 (1dx) (e), 71.47 (3g) (c) and 71.49 (1) (f); and **to create** 20.835
7 (2) (dz), 71.07 (2di) (gm), 71.07 (2dm) (gm), 71.07 (2dx) (dm), 71.07 (3g) (bm),
8 71.28 (1di) (gm), 71.28 (1dm) (gm), 71.28 (1dx) (dm), 71.28 (3g) (bm), 71.47 (1di)
9 (gm), 71.47 (1dm) (gm), 71.47 (1dx) (dm) and 71.47 (3g) (bm) of the statutes;
10 **relating to:** allowing refunds for claiming the development zones capital
11 investment tax credit, development zones credit, development opportunity
12 zones credit, technology zones credit, and making an appropriation.

Analysis by the Legislative Reference Bureau

Under current law, generally, a person doing business in any development zone, including an enterprise zone and a technology zone, may claim an income or

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franchise tax credit for amounts the person spent to conduct certain business activities in the zone. If the amount of the credits claimed by the person exceeds the person's tax liability, the state will not issue a refund check, but the person may carry forward any remaining credit to subsequent taxable years. Under this bill, if the amount of the credits claimed by the person exceeds the person's tax liability, the state will issue a refund check to the person.

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:

1 **SECTION 1.** 20.835 (2) (dz) of the statutes is created to read:

2 20.835 (2) (dz) *Development zones and technology zones credits.* A sum
3 sufficient to make the payments under ss. 71.07 (2di) (gm), (2dm) (gm), (2dx) (dm),
4 and (3g) (bm), 71.28 (1di) (gm), (1dm) (gm), (1dx) (dm), and (3g) (bm), and 71.47 (1di)
5 (gm), (1dm) (gm), (1dx) (dm), and (3g) (bm).

6 **SECTION 2.** 71.07 (2di) (c) of the statutes is amended to read:

7 71.07 (2di) (c) Except as provided in par. (b) 2., the for taxable years beginning
8 before January 1, 2006, the carry-over provisions of s. 71.28 (4) (e) and (f) as they
9 relate to the credit under s. 71.28 (4) relate to the credit under this subsection and
10 apply as if the development zone continued to exist.

11 **SECTION 3.** 71.07 (2di) (gm) of the statutes is created to read:

12 71.07 (2di) (gm) For credits computed based on amounts paid or incurred in
13 taxable years beginning after December 31, 2005, if the allowable amount of the
14 claim under this subsection exceeds the income taxes otherwise due on the claimant's
15 income, the amount of the claim that is not used to offset those taxes shall be certified
16 by the department of revenue to the department of administration for payment by
17 check, share draft, or other draft drawn from the appropriation under s. 20.835 (2)
18 (dz).

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1 **SECTION 4.** 71.07 (2dm) (gm) of the statutes is created to read:

2 71.07 (**2dm**) (gm) For credits computed based on amounts paid or incurred in
3 taxable years beginning after December 31, 2005, if the allowable amount of the
4 claim under this subsection exceeds the income taxes otherwise due on the claimant's
5 income, the amount of the claim that is not used to offset those taxes shall be certified
6 by the department of revenue to the department of administration for payment by
7 check, share draft, or other draft drawn from the appropriation under s. 20.835 (2)
8 (dz).

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

10 71.07 (**2dm**) (h) The For taxable years beginning before January 1, 2006, the
11 carry-over provisions of s. 71.28 (4) (e) and (f) as they relate to the credit under s.
12 71.28 (4) relate to the credit under this subsection.

13 **SECTION 6.** 71.07 (2dx) (dm) of the statutes is created to read:

14 71.07 (**2dx**) (dm) *Refunds.* For credits computed based on amounts paid or
15 incurred in taxable years beginning after December 31, 2005, if the allowable
16 amount of the claim under this subsection exceeds the income taxes otherwise due
17 on the claimant's income, the amount of the claim that is not used to offset those taxes
18 shall be certified by the department of revenue to the department of administration
19 for payment by check, share draft, or other draft drawn from the appropriation under
20 s. 20.835 (2) (dz).

21 **SECTION 7.** 71.07 (2dx) (e) of the statutes is amended to read:

22 71.07 (**2dx**) (e) *Administration.* Section 71.28 (4) ~~(e) to (g) and~~ (h), as it applies
23 to the credit under s. 71.28 (4), applies to the credit under this subsection. For
24 taxable years beginning before January 1, 2006, s. 71.28 (4) (e) and (f), as it applies
25 to the credit under s. 71.28 (4), applies to the credit under this subsection. Subsection

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1 (2dj) (c), as it applies to the credit under sub. (2dj), applies to the credit under this
2 subsection. Claimants shall include with their returns a copy of their certification for
3 tax benefits and a copy of the department of commerce's verification of their
4 expenses.

5 **SECTION 8.** 71.07 (3g) (bm) of the statutes is created to read:

6 71.07 (3g) (bm) For credits computed based on amounts paid or incurred in
7 taxable years beginning after December 31, 2005, if the allowable amount of the
8 claim under this subsection exceeds the income taxes otherwise due on the claimant's
9 income, the amount of the claim that is not used to offset those taxes shall be certified
10 by the department of revenue to the department of administration for payment by
11 check, share draft, or other draft drawn from the appropriation under s. 20.835 (2)
12 (dz).

13 **SECTION 9.** 71.07 (3g) (c) of the statutes is amended to read:

14 71.07 (3g) (c) Section 71.28 (4) (e), ~~(f)~~, (g), and (h), as it applies to the credit
15 under s. 71.28 (4), applies to the credit under par. (a). For taxable years beginning
16 before January 1, 2006, s. 71.28 (4) (e) and (f), as it applies to the credit under s. 71.28
17 (4), applies to the credit under par. (a).

18 **SECTION 10.** 71.10 (3) (ac) of the statutes is repealed.

19 **SECTION 11.** 71.10 (4) (gg) of the statutes is repealed.

20 **SECTION 12.** 71.10 (4) (grb) of the statutes is repealed.

21 **SECTION 13.** 71.10 (4) (grd) of the statutes is repealed.

22 **SECTION 14.** 71.10 (4) (gu) of the statutes is repealed.

23 **SECTION 15.** 71.10 (4) (i) of the statutes is amended to read:

24 71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland
25 preservation credit under subch. IX, homestead credit under subch. VIII,

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1 development zones investment credit under s. 71.07 (2di), development zone capital
2 investment credit under s. 71.07 (2dm), development zones credit under s. 71.07
3 (2dx), technology zones credit under s. 71.07 (3g), farmland tax relief credit under s.
4 71.07 (3m), farmers' drought property tax credit under s. 71.07 (2fd), earned income
5 tax credit under s. 71.07 (9e), estimated tax payments under s. 71.09, and taxes
6 withheld under subch. X.

7 **SECTION 16.** 71.28 (1di) (c) of the statutes is amended to read:

8 71.28 **(1di)** (c) Except as provided in par. (b) 2., the for taxable years beginning
9 before January 1, 2006, the carry-over provisions of sub. (4) (e) and (f) as they relate
10 to the credit under that subsection relate to the credit under this subsection and
11 apply as if the development zone continued to exist.

12 **SECTION 17.** 71.28 (1di) (gm) of the statutes is created to read:

13 71.28 **(1di)** (gm) For credits computed based on amounts paid or incurred in
14 taxable years beginning after December 31, 2005, if the allowable amount of the
15 claim under this subsection exceeds the income taxes otherwise due on the claimant's
16 income, the amount of the claim that is not used to offset those taxes shall be certified
17 by the department of revenue to the department of administration for payment by
18 check, share draft, or other draft drawn from the appropriation under s. 20.835 (2)
19 (dz).

20 **SECTION 18.** 71.28 (1dm) (gm) of the statutes is created to read:

21 71.28 **(1dm)** (gm) For credits computed based on amounts paid or incurred in
22 taxable years beginning after December 31, 2005, if the allowable amount of the
23 claim under this subsection exceeds the income taxes otherwise due on the claimant's
24 income, the amount of the claim that is not used to offset those taxes shall be certified
25 by the department of revenue to the department of administration for payment by

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1 check, share draft, or other draft drawn from the appropriation under s. 20.835 (2)
2 (dz).

3 **SECTION 19.** 71.28 (1dm) (h) of the statutes is amended to read:

4 71.28 (1dm) (h) The For taxable years beginning before January 1, 2006, the
5 carry-over provisions of sub. (4) (e) and (f) as they relate to the credit under sub. (4)
6 relate to the credit under this subsection.

7 **SECTION 20.** 71.28 (1dx) (dm) of the statutes is created to read:

8 71.28 (1dx) (dm) *Refunds.* For credits computed based on amounts paid or
9 incurred in taxable years beginning after December 31, 2005, if the allowable
10 amount of the claim under this subsection exceeds the income taxes otherwise due
11 on the claimant's income, the amount of the claim that is not used to offset those taxes
12 shall be certified by the department of revenue to the department of administration
13 for payment by check, share draft, or other draft drawn from the appropriation under
14 s. 20.835 (2) (dz).

15 **SECTION 21.** 71.28 (1dx) (e) of the statutes is amended to read:

16 71.28 (1dx) (e) *Administration.* Subsection (4) ~~(e) to (g) and~~ (h), as it applies
17 to the credit under sub. (4), applies to the credit under this subsection. For taxable
18 years beginning after January 1, 2006, sub. (4) (e) and (f), as it applies to the credit
19 under sub. (4), applies to the credit under this subsection. Subsection (1dj) (c), as it
20 applies to the credit under sub. (1dj), applies to the credit under this subsection.
21 Claimants shall include with their returns a copy of their certification for tax benefits
22 and a copy of the department of commerce's verification of their expenses.

23 **SECTION 22.** 71.28 (3g) (bm) of the statutes is created to read:

24 71.28 (3g) (bm) For credits computed based on amounts paid or incurred in
25 taxable years beginning after December 31, 2005, if the allowable amount of the

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1 claim under this subsection exceeds the income taxes otherwise due on the claimant's
2 income, the amount of the claim that is not used to offset those taxes shall be certified
3 by the department of revenue to the department of administration for payment by
4 check, share draft, or other draft drawn from the appropriation under s. 20.835 (2)
5 (dz).

6 **SECTION 23.** 71.28 (3g) (c) of the statutes is amended to read:

7 71.28 (3g) (c) Subsection (4) ~~(e), (f), (g), and (h)~~, as it applies to the credit under
8 sub. (4), applies to the credit under par. (a). For taxable years beginning before
9 January 1, 2006, sub. (4) (e) and (f), as it applies to the credit under sub. (4), applies
10 to the credit under par. (a).

11 **SECTION 24.** 71.30 (3) (eg) of the statutes is repealed.

12 **SECTION 25.** 71.30 (3) (emb) of the statutes is repealed.

13 **SECTION 26.** 71.30 (3) (eom) of the statutes is repealed.

14 **SECTION 27.** 71.30 (3) (eon) of the statutes is repealed.

15 **SECTION 28.** 71.30 (3) (f) of the statutes is amended to read:

16 71.30 (3) (f) The total of development zones investment credit under s. 71.28
17 (1di), development zone capital investment credit under s. 71.28 (1dm), development
18 zones credit under s. 71.28 (1dx), farmers' drought property tax credit under s. 71.28
19 (1fd), farmland preservation credit under subch. IX, farmland tax relief credit under
20 s. 71.28 (2m), technology zones credit under s. 71.28 (3g), and estimated tax
21 payments under s. 71.29.

22 **SECTION 29.** 71.47 (1di) (c) of the statutes is amended to read:

23 71.47 (1di) (c) Except as provided in par. (b) 2., the for taxable years beginning
24 before January 1, 2006, the carry-over provisions of sub. (4) (e) and (f) as they relate

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1 to the credit under that subsection relate to the credit under this subsection and
2 apply as if the development zone continued to exist.

3 **SECTION 30.** 71.47 (1di) (gm) of the statutes is created to read:

4 71.47 **(1di)** (gm) For credits computed based on amounts paid or incurred in
5 taxable years beginning after December 31, 2005, if the allowable amount of the
6 claim under this subsection exceeds the income taxes otherwise due on the claimant's
7 income, the amount of the claim that is not used to offset those taxes shall be certified
8 by the department of revenue to the department of administration for payment by
9 check, share draft, or other draft drawn from the appropriation under s. 20.835 (2)
10 (dz).

11 **SECTION 31.** 71.47 (1dm) (gm) of the statutes is created to read:

12 71.47 **(1dm)** (gm) For credits computed based on amounts paid or incurred in
13 taxable years beginning after December 31, 2005, if the allowable amount of the
14 claim under this subsection exceeds the income taxes otherwise due on the claimant's
15 income, the amount of the claim that is not used to offset those taxes shall be certified
16 by the department of revenue to the department of administration for payment by
17 check, share draft, or other draft drawn from the appropriation under s. 20.835 (2)
18 (dz).

19 **SECTION 32.** 71.47 (1dm) (h) of the statutes is amended to read:

20 71.47 **(1dm)** (h) The For taxable years beginning before January 1, 2006, the
21 carry-over provisions of s. 71.28 (4) (e) and (f) as they relate to the credit under s.
22 71.28 (4) relate to the credit under this subsection.

23 **SECTION 33.** 71.47 (1dx) (dm) of the statutes is created to read:

24 71.47 **(1dx)** (dm) *Refunds.* For credits computed based on amounts paid or
25 incurred in taxable years beginning after December 31, 2005, if the allowable

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1 amount of the claim under this subsection exceeds the income taxes otherwise due
2 on the claimant's income, the amount of the claim that is not used to offset those taxes
3 shall be certified by the department of revenue to the department of administration
4 for payment by check, share draft, or other draft drawn from the appropriation under
5 s. 20.835 (2) (dz).

6 **SECTION 34.** 71.47 (1dx) (e) of the statutes is amended to read:

7 71.47 (1dx) (e) *Administration.* Section 71.28 (4) ~~(e) to (g) and (h)~~, as it applies
8 to the credit under s. 71.28 (4), applies to the credit under this subsection. For
9 taxable years beginning before January 1, 2006, s. 71.28 (4) (e) and (f), as it applies
10 to the credit under s. 71.28 (4), applies to the credit under this subsection. Subsection
11 (1dj) (c), as it applies to the credit under sub. (1dj), applies to the credit under this
12 subsection. Claimants shall include with their returns a copy of their certification for
13 tax benefits and a copy of the department of commerce's verification of their
14 expenses.

15 **SECTION 35.** 71.47 (3g) (bm) of the statutes is created to read:

16 71.47 (3g) (bm) For credits computed based on amounts paid or incurred in
17 taxable years beginning after December 31, 2005, if the allowable amount of the
18 claim under this subsection exceeds the income taxes otherwise due on the claimant's
19 income, the amount of the claim that is not used to offset those taxes shall be certified
20 by the department of revenue to the department of administration for payment by
21 check, share draft, or other draft drawn from the appropriation under s. 20.835 (2)
22 (dz).

23 **SECTION 36.** 71.47 (3g) (c) of the statutes is amended to read:

24 71.47 (3g) (c) Section 71.28 (4) ~~(e), (f), (g), and (h)~~, as it applies to the credit
25 under s. 71.28 (4), applies to the credit under par. (a). For taxable years beginning

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1 before January 1, 2006, s. 71.28 (4) (e) and (f), as it applies to the credit under s. 71.28
2 (4), applies to the credit under par. (a).

3 **SECTION 37.** 71.49 (1) (eg) of the statutes is repealed.

4 **SECTION 38.** 71.49 (1) (emb) of the statutes is repealed.

5 **SECTION 39.** 71.49 (1) (eom) of the statutes is repealed.

6 **SECTION 40.** 71.49 (1) (eon) of the statutes is repealed.

7 **SECTION 41.** 71.49 (1) (f) of the statutes is amended to read:

8 71.49 (1) (f) The total of development zones investment credit under s. 71.47
9 (1di), development zone capital investment credit under s. 71.47 (1dm), development
10 zones credit under s. 71.47 (1dx), farmers' drought property tax credit under s. 71.47
11 (1fd), farmland preservation credit under subch. IX, farmland tax relief credit under
12 s. 71.47 (2m), technology zones credit under s. 71.47 (3g), and estimated tax
13 payments under s. 71.48.

14 **SECTION 42. Initial applicability.**

15 (1) This act first applies to taxable years beginning on January 1, 2006.

16 (END)