

## 2007 ASSEMBLY BILL 56

February 8, 2007 – Introduced by Representatives STRACHOTA, MOLEPSKE, FIELDS, NEWCOMER, A. OTT, KERKMAN, TURNER, SHERIDAN, F. LASEE, HONADEL, J. OTT, TRAVIS, BERCEAU, SEIDEL, WASSERMAN, TOWNSEND, VOS, GUNDERSON, MURSAU, KREUSER and SCHNEIDER, cosponsored by Senators KANAVAS, LASSA, DARLING, HANSEN, PLALE, LAZICH, ROESSLER, TAYLOR and OLSEN. Referred to Committee on Jobs and The Economy.

1     **AN ACT to amend** 71.07 (5f) (b) (intro.), 71.07 (5f) (c) 1., 71.07 (5h) (b) (intro.),  
2           71.07 (5h) (c) 1., 71.07 (5h) (c) 2., 71.07 (5h) (c) 3., 71.28 (5f) (b) (intro.), 71.28  
3           (5f) (c) 1., 71.28 (5h) (b) (intro.), 71.28 (5h) (c) 1., 71.28 (5h) (c) 2., 71.28 (5h) (c)  
4           3., 71.47 (5f) (b) (intro.), 71.47 (5f) (c) 1., 71.47 (5h) (b) (intro.), 71.47 (5h) (c) 1.,  
5           71.47 (5h) (c) 2. and 71.47 (5h) (c) 3.; and **to create** 71.07 (5f) (c) 2m., 71.07 (5h)  
6           (c) 3m., 71.28 (5f) (c) 2m., 71.28 (5h) (c) 3m., 71.47 (5f) (c) 2m. and 71.47 (5h) (c)  
7           3m. of the statutes; **relating to:** the taxable years for which a person may claim  
8           the film production services and film production company investment credits.

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### ***Analysis by the Legislative Reference Bureau***

Under current law, for taxable years beginning on or after January 1, 2008, a film production company may claim income and franchise tax credits for expenses related to film production services, including a percentage of the salary or wages paid to the company's employees in this state, and for capital investments made in this state by the film production company. Under this bill, a film production company may claim the credits for taxable years beginning on or after July 1, 2007. Furthermore, the film production company may claim expenses paid after December 31, 2006, and before July 1, 2007, on the tax return for its first taxable year beginning on or after July 1, 2007.

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

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

1           **SECTION 1.** 71.07 (5f) (b) (intro.) of the statutes is amended to read:

2           71.07 (5f) (b) *Filing claims.* (intro.) Subject to the limitations provided in this  
3 subsection, for taxable years beginning on or after July 1, 2007, and for amounts paid  
4 after December 31, ~~2007~~ 2006, a claimant may claim as a credit against the tax  
5 imposed under s. 71.02 any of the following amounts:

6           **SECTION 2.** 71.07 (5f) (c) 1. of the statutes is amended to read:

7           71.07 (5f) (c) 1. No amount of the salary or wages paid under par. (b) 1. may  
8 be the basis for a credit under this subsection unless the salary or wages are paid for  
9 services rendered after December 31, ~~2007~~ 2006, and directly incurred to produce the  
10 accredited production.

11           **SECTION 3.** 71.07 (5f) (c) 2m. of the statutes is created to read:

12           71.07 (5f) (c) 2m. For purposes of this subsection, amounts described under par.  
13 (b) 1. to 3. that the claimant paid after December 31, 2006, and before July 1, 2007,  
14 are considered to be paid in the claimant's first taxable year beginning on or after  
15 July 1, 2007, and may be claimed on the claimant's return for that year.

16           **SECTION 4.** 71.07 (5h) (b) (intro.) of the statutes is amended to read:

17           71.07 (5h) (b) *Filing claims.* (intro.) Subject to the limitations provided in this  
18 subsection, for taxable years beginning on or after July 1, 2007, and for amounts paid  
19 after December 31, ~~2007~~ 2006, a claimant may claim as a credit against the tax  
20 imposed under s. 71.02, up to the amount of the taxes, for the first 3 taxable years  
21 that the claimant is doing business in this state as a film production company, an

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1 amount that is equal to 15 percent of the following that the claimant paid in the  
2 taxable year to establish a film production company in this state:

3 **SECTION 5.** 71.07 (5h) (c) 1. of the statutes is amended to read:

4 71.07 **(5h)** (c) 1. A claimant may claim the credit under par. (b) 1., if the tangible  
5 personal property is purchased after December 31, ~~2007~~ 2006, and the personal  
6 property is used for at least 50 percent of its use in the claimant's business as a film  
7 production company.

8 **SECTION 6.** 71.07 (5h) (c) 2. of the statutes is amended to read:

9 71.07 **(5h)** (c) 2. A claimant may claim the credit under par. (b) 2. for an amount  
10 expended to construct, rehabilitate, remodel, or repair real property, if the claimant  
11 began the physical work of construction, rehabilitation, remodeling, or repair, or any  
12 demolition or destruction in preparation for the physical work, after December 31,  
13 ~~2007~~ 2006, or if the completed project is placed in service after December 31, ~~2007~~  
14 2006.

15 **SECTION 7.** 71.07 (5h) (c) 3. of the statutes is amended to read:

16 71.07 **(5h)** (c) 3. A claimant may claim the credit under par. (b) 2. for an amount  
17 expended to acquire real property, if the property is not previously owned property  
18 and if the claimant acquires the property after December 31, ~~2007~~ 2006, or if the  
19 completed project is placed in service after December 31, ~~2007~~ 2006.

20 **SECTION 8.** 71.07 (5h) (c) 3m. of the statutes is created to read:

21 71.07 **(5h)** (c) 3m. For purposes of this subsection, amounts described under  
22 par. (b) 1. and 2. that the claimant paid after December 31, 2006, and before July 1,  
23 2007, are considered to be paid in the claimant's first taxable year beginning on or  
24 after July 1, 2007, and may be claimed on the claimant's return for that year.

25 **SECTION 9.** 71.28 (5f) (b) (intro.) of the statutes is amended to read:

**ASSEMBLY BILL 56****SECTION 9**

1           71.28 (5f) (b) *Filing claims.* (intro.) Subject to the limitations provided in this  
2 subsection, for taxable years beginning on or after July 1, 2007, and for amounts paid  
3 after December 31, ~~2007~~ 2006, a claimant may claim as a credit against the tax  
4 imposed under s. 71.23 any of the following amounts:

5           **SECTION 10.** 71.28 (5f) (c) 1. of the statutes is amended to read:

6           71.28 (5f) (c) 1. No amount of the salary or wages paid under par. (b) 1. may  
7 be the basis for a credit under this subsection unless the salary or wages are paid for  
8 services rendered after December 31, ~~2007~~ 2006, and directly incurred to produce the  
9 accredited production.

10          **SECTION 11.** 71.28 (5f) (c) 2m. of the statutes is created to read:

11          71.28 (5f) (c) 2m. For purposes of this subsection, amounts described under par.  
12 (b) 1. to 3. that the claimant paid after December 31, 2006, and before July 1, 2007,  
13 are considered to be paid in the claimant's first taxable year beginning on or after  
14 July 1, 2007, and may be claimed on the claimant's return for that year.

15          **SECTION 12.** 71.28 (5h) (b) (intro.) of the statutes is amended to read:

16          71.28 (5h) (b) *Filing claims.* (intro.) Subject to the limitations provided in this  
17 subsection, for taxable years beginning on or after July 1, 2007, and for amounts paid  
18 after December 31, ~~2007~~ 2006, a claimant may claim as a credit against the tax  
19 imposed under s. 71.23, up to the amount of the taxes, for the first 3 taxable years  
20 that the claimant is doing business in this state as a film production company, an  
21 amount that is equal to 15 percent of the following that the claimant paid in the  
22 taxable year to establish a film production company in this state:

23          **SECTION 13.** 71.28 (5h) (c) 1. of the statutes is amended to read:

24          71.28 (5h) (c) 1. A claimant may claim the credit under par. (b) 1., if the tangible  
25 personal property is purchased after December 31, ~~2007~~ 2006, and the personal

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1 property is used for at least 50 percent of its use in the claimant's business as a film  
2 production company.

3 **SECTION 14.** 71.28 (5h) (c) 2. of the statutes is amended to read:

4 71.28 **(5h)** (c) 2. A claimant may claim the credit under par. (b) 2. for an amount  
5 expended to construct, rehabilitate, remodel, or repair real property, if the claimant  
6 began the physical work of construction, rehabilitation, remodeling, or repair, or any  
7 demolition or destruction in preparation for the physical work, after December 31,  
8 ~~2007~~ 2006, or if the completed project is placed in service after December 31, ~~2007~~  
9 2006.

10 **SECTION 15.** 71.28 (5h) (c) 3. of the statutes is amended to read:

11 71.28 **(5h)** (c) 3. A claimant may claim the credit under par. (b) 2. for an amount  
12 expended to acquire real property, if the property is not previously owned property  
13 and if the claimant acquires the property after December 31, ~~2007~~ 2006, or if the  
14 completed project is placed in service after December 31, ~~2007~~ 2006.

15 **SECTION 16.** 71.28 (5h) (c) 3m. of the statutes is created to read:

16 71.28 **(5h)** (c) 3m. For purposes of this subsection, amounts described under  
17 par. (b) 1. and 2. that the claimant paid after December 31, 2006, and before July 1,  
18 2007, are considered to be paid in the claimant's first taxable year beginning on or  
19 after July 1, 2007, and may be claimed on the claimant's return for that year.

20 **SECTION 17.** 71.47 (5f) (b) (intro.) of the statutes is amended to read:

21 71.47 **(5f)** (b) *Filing claims.* (intro.) Subject to the limitations provided in this  
22 subsection, for taxable years beginning on or after July 1, 2007, and for amounts paid  
23 after December 31, ~~2007~~ 2006, a claimant may claim as a credit against the tax  
24 imposed under s. 71.43 any of the following amounts:

25 **SECTION 18.** 71.47 (5f) (c) 1. of the statutes is amended to read:

**ASSEMBLY BILL 56****SECTION 18**

1           71.47 (5f) (c) 1. No amount of the salary or wages paid under par. (b) 1. may  
2 be the basis for a credit under this subsection unless the salary or wages are paid for  
3 services rendered after December 31, ~~2007~~ 2006, and directly incurred to produce the  
4 accredited production.

5           **SECTION 19.** 71.47 (5f) (c) 2m. of the statutes is created to read:

6           71.47 (5f) (c) 2m. For purposes of this subsection, amounts described under par.  
7 (b) 1. to 3. that the claimant paid after December 31, 2006, and before July 1, 2007,  
8 are considered to be paid in the claimant's first taxable year beginning on or after  
9 July 1, 2007, and may be claimed on the claimant's return for that year.

10          **SECTION 20.** 71.47 (5h) (b) (intro.) of the statutes is amended to read:

11          71.47 (5h) (b) *Filing claims.* (intro.) Subject to the limitations provided in this  
12 subsection, for taxable years beginning on or after July 1, 2007, and for amounts paid  
13 after December 31, ~~2007~~ 2006, a claimant may claim as a credit against the tax  
14 imposed under s. 71.43, up to the amount of the taxes, for the first 3 taxable years  
15 that the claimant is doing business in this state as a film production company, an  
16 amount that is equal to 15 percent of the following that the claimant paid in the  
17 taxable year to establish a film production company in this state:

18          **SECTION 21.** 71.47 (5h) (c) 1. of the statutes is amended to read:

19          71.47 (5h) (c) 1. A claimant may claim the credit under par. (b) 1., if the tangible  
20 personal property is purchased after December 31, ~~2007~~ 2006, and the personal  
21 property is used for at least 50 percent of its use in the claimant's business as a film  
22 production company.

23          **SECTION 22.** 71.47 (5h) (c) 2. of the statutes is amended to read:

24          71.47 (5h) (c) 2. A claimant may claim the credit under par. (b) 2. for an amount  
25 expended to construct, rehabilitate, remodel, or repair real property, if the claimant

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1 began the physical work of construction, rehabilitation, remodeling, or repair, or any  
2 demolition or destruction in preparation for the physical work, after December 31,  
3 ~~2007~~ 2006, or if the completed project is placed in service after December 31, ~~2007~~  
4 2006.

5 **SECTION 23.** 71.47 (5h) (c) 3. of the statutes is amended to read:

6 71.47 **(5h)** (c) 3. A claimant may claim the credit under par. (b) 2. for an amount  
7 expended to acquire real property, if the property is not previously owned property  
8 and if the claimant acquires the property after December 31, ~~2007~~ 2006, or if the  
9 completed project is placed in service after December 31, ~~2007~~ 2006.

10 **SECTION 24.** 71.47 (5h) (c) 3m. of the statutes is created to read:

11 71.47 **(5h)** (c) 3m. For purposes of this subsection, amounts described under  
12 par. (b) 1. and 2. that the claimant paid after December 31, 2006, and before July 1,  
13 2007, are considered to be paid in the claimant's first taxable year beginning on or  
14 after July 1, 2007, and may be claimed on the claimant's return for that year.

15 (END)