

2007 DRAFTING REQUEST

Bill

Received: 02/06/2007

Received By: jkreye

Wanted: As time permits

Identical to LRB: 07 SB 24

For: Patricia Strachota (608) 264-8486

By/Representing: sara

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Addl. Drafters:

Subject: Tax, Business - credits

Extra Copies:

Submit via email: YES

Requester's email: Rep.Strachota@legis.wisconsin.gov

Carbon copy (CC:) to: joseph.kreye@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Taxable years for which a person may claim film production credits

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
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/1			rschluet 02/06/2007	_____	cduerst 02/06/2007	cduerst 02/06/2007	

FE Sent For: ^{"/1"} @ intro
2-7-2007

<END>

for Assembly

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*Please jacket
now!
Joe*

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/?	jkreye	1 2/5 jld					

FE Sent For:

<END>

STATE OF WISCONSIN - LEGISLATIVE REFERENCE BUREAU

LRB

Research (608-266-0341)

Library (608-266-7040)

Legal (608-266-3561)

LRB

2-6-07

Sara — Shadoki's office
Buchanan

LRB 1175 — Orally compare to
Sen Krasner's bill

4-8486

1839/11
stays

in 2-6-07

D-N

~~2007 SENATE BILL 24~~

Trolley

February 2, 2007 - Introduced by Senators KANAVAS, LASSA, DARLING, HANSEN, PLALE, LAZICH, ROESSLER, TAYLOR and OLSEN, cosponsored by Representatives STRACHOTA, MOLEPSKE, FIELDS, NEWCOMER, A. OTT, KERKMAN, TURNER, SHERIDAN, F. LASEE, HONADEL, J. OTT, TRAVIS, BERCEAU, SEIDEL, WASSERMAN, TOWNSEND, VOS, GUNDERSON, MURSAU and KREUSER. Referred to Committee on Economic Development, Job Creation, Family Prosperity and Housing.

Regen

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.

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.

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

SENATE BILL 24

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:

SENATE BILL 24**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

SENATE BILL 24

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:

SENATE BILL 24**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

SENATE BILL 24

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)

d-note

STATE OF WISCONSIN - LEGISLATIVE REFERENCE BUREAU

LRB

Research (608-266-0341) · Library (608-266-7040) Legal (608-266-3561)

LRB

1839/1ch
JK: jld

Representative Strachota:

This draft is identical to 2007 Senate Bill

24.

JK

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1839/1dn
JK:jld:rs

February 6, 2007

Representative Strachota:

This draft is identical to 2007 Senate Bill 24.

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E-mail: joseph.kreye@legis.wisconsin.gov