



# State of Wisconsin

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STEPHEN R. MILLER  
CHIEF

February 13, 2007

## MEMORANDUM

**To:** Representative Strachota

**From:** Joseph T. Kreye, Sr. Legislative Attorney, (608) 266-2263

**Subject:** Technical Memorandum to **2007 AB-0056** (LRB 07-1839/1) by **DOR**

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We received the attached technical memorandum relating to your bill. This copy is for your information and your file. If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

## MEMORANDUM

February 13, 2007

**TO:** Joseph Kreye  
Legislative Reference Bureau

**FROM:** Rebecca Boldt  
Department of Revenue

**SUBJECT:** Technical Memorandum on AB 56 – Film Production Credit—Change effective dates

If the order of claiming credits for corporations and insurance companies remains as drafted, it is unlikely that corporations and insurance companies would be able to benefit from the wage and sales tax portions of the film production services credit (secs. 71.28(5f)(b)1. and 3.), or for the film production company investment credit (sec. 71.28(5h)), because their tax liability would already be reduced to zero by the refundable portion of the credit. To correct this problem, these nonrefundable credits could be placed in the order before the production expenditures portion of the film production services credit (sec. 71.28(5f)(b)2.), which is a refundable credit. The problem can be remedied as follows:

(a) Renumber sec. 71.30(3)(epp) to 71.30(3)(eps) and amend sec. 71.30(3)(eps) as renumbered to read as follows:

71.30(3)(eps) Film production services credit under s. 71.28 (5f) (b) 1. and 3.

(b) Amend sec. 71.30(3)(f) to include the following language:

“film production services credit under s. 71.28 (5f) (b) 2.,”

(c) Renumber sec. 71.49(1)(epp) to 71.49(1)(eps) and amend sec. 71.49(1)(eps) as renumbered to read as follows:

71.49(1)(eps) Film production services credit under s. 71.47 (5f) (b) 1. and 3.

(d) Amend sec. 71.49(1)(f) to include the following language:

“film production services credit under s. 71.47 (5f) (b) 2.,”

In addition, the change from taxable years beginning on or after January 1, 2008, to taxable years beginning on or after July 1, 2007, will be a problem only if this bill is enacted late in 2007 (generally after July 31, 2007) after forms have been finalized for printing.

If you have any questions regarding this technical memorandum, please contact Michael Oakleaf at 261-5173 or via email at [Michael.oakleaf@dor.state.wi.us](mailto:Michael.oakleaf@dor.state.wi.us).

cc: Rep. Strachota