

2007 DRAFTING REQUEST

Assembly Substitute Amendment (ASA-AB371)

Received: **08/01/2007**

Received By: **jkreye**

Wanted: **As time permits**

Identical to LRB:

For: **Sheryl Albers (608) 266-8531**

By/Representing: **kurt**

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.Albers@legis.wisconsin.gov**

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

Pre Topic:

No specific pre topic given

Topic:

Tax credits for electric motor vehicles and motor vehicles that use ethanol or biodiesel for fuel

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>
/?	jkreye 08/02/2007	csicilia 08/08/2007		_____			
/P1			nnatzke 08/08/2007	_____	mbarman 08/08/2007		
/1	jkreye 08/10/2007	csicilia 08/13/2007	rschluet 08/13/2007	_____	lparisi 08/13/2007	lparisi 08/13/2007	

FE Sent For:

<END>

12-06-2007
("1")

see
attached

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/?	jkreye 08/02/2007	csicilia 08/08/2007		_____ _____			
/P1			nmatzke 08/08/2007	_____ _____	mbarman 08/08/2007		

FE Sent For:

1 c/s 8/13
07

[Handwritten signature]

8/15/07

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/?	jkreye	<i>P1ijs 8/7</i>	<i>nwh 8/8</i>	<i>nwh/f 8/8</i>			
		<i>07</i>					

FE Sent For:

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Kreye, Joseph

From: Simatic, Kurt
Sent: Tuesday, July 31, 2007 3:55 PM
To: Kreye, Joseph
Subject: Amendment needed for AB 371

Joe, we also need changes to AB 371:

- Sunset the tax credit 2 years after the date DOT comes up with the list of vehicles eligible, but JFC may extend for two more years with 2/3rds vote.
- Exempt those stations that offer E85 from requirements that they must be open 24 hours, and offer food, water and toilets.
- Biodiesel vehicles would also be eligible for the credit. (not sure about this request, I am not sure there are any "biodiesel vehicles" out there, but there are diesel vehicles that run on biodiesel)
- Take out "made in Wisconsin" and add "assembled in Wisconsin"

Two other issues:

- In the bill, there is reference to a "certified technician". What is this exactly? How is it defined?
- Another change that Sheryl is considering is that for someone to claim the credit for fuel powered vehicles in the bill, they must provide proof of purchase of E85 or biodiesel, no less than \$500 in a year. If there is no issue with germaneness here, Sheryl would like to add that change as well.

Thanks.

Kurt Simatic
Office of State Representative Sheryl K. Albers
115 West
State Capitol
Madison, WI 53708
608-266-8531
kurt.simatic@legis.wisconsin.gov

50122/P1

ASA to

Stays

SOON

2007 ASSEMBLY BILL 371

in 8-2-07

D-N

May 29, 2007 - Introduced by Representatives ALBERS, GRONEMUS, HAHN, HUBLER and OWENS, cosponsored by Senators SCHULTZ and OLSEN. Referred to Committee on Biofuels and Sustainable Energy.

re gen

1 AN ACT *to renumber and amend* 86.195 (2) (c); *to amend* 71.05 (6) (a) 15., 71.21
 2 (4), 71.26 (2) (a), 71.34 (1) (g), 71.45 (2) (a) 10., 77.92 (4) and 86.195 (1) (ar); and
 3 *to create* 71.07 (5j), 71.10 (4) (cn), 71.28 (5j), 71.30 (3) (dq), 71.47 (5j), 71.49 (1)
 4 (dq), 86.195 (2) (c) 2. and 110.23 of the statutes; **relating to:** creating income
 5 and franchise tax credits for certain electric motor vehicles and for motor
 6 vehicles that use *biodiesel or* gasoline and ethanol mixtures as fuel *and* highway specific
 7 information signs *and* *or period stays*

Analysis by the Legislative Reference Bureau

Under this bill, a person may claim an income and franchise tax credit for certain amounts based on the vehicle's purchase price, if the person purchased or leased in the taxable year any of the following vehicles (eligible vehicles) that are sold or leased as new motor vehicles, manufactured in this state, and licensed for highway use:

1. A motor vehicle that is capable of using both gasoline and a mixture of gasoline and at least 85 percent ethanol as a fuel to propel the motor vehicle.
2. A vehicle that has a chemically fueled internal combustion engine which is capable of operating on gasoline, one or more alternative fuels, or diesel fuel, or by means of a gas turbine, and is also equipped with an electric motor and an energy storage device.

ASSEMBLY BILL 371

3. A vehicle that satisfies the requirements of the neighborhood electric vehicle test program conducted by the federal Department of Energy.

4. A plug-in hybrid-electric vehicle.

The bill also allows a person to claim an income and franchise tax credit of \$50 for the purchase and installation of an engine modification kit that converts the person's motor vehicle into any vehicle described in 1. to 4. above.

The bill requires the Department of Transportation (DOT) to annually prepare and make publicly available a list of eligible vehicles, identified by vehicle make and model.

Current law allows DOT to erect and maintain certain informational signs to assist motorists traveling along state highways. DOT may, with restrictions, authorize the erection and maintenance, on designated state highways, of specific information signs, which notify motorists that certain businesses located near a highway are available to provide motorist services in the category of gas, food, lodging, camping, or attraction. A "business sign" is a separately attached sign mounted on a specific information sign showing the brand, symbol, or name, or combination of these, for a motorist service. Upon request, DOT may authorize the installation and maintenance of a business sign on a specific information sign. The person requesting installation of a business sign must provide the sign, at his or her expense, and pay for its installation. The person must also pay DOT an annual permit fee of \$40 to cover administrative costs and the cost of inspection of the business sign.

Under this bill, a business sign may include the symbol "E85" for a motorist service in the "gas" category. A person who requests a business sign for a motorist service that offers gasoline consisting of at least 85 percent ethanol may include the symbol "E85" on the sign and, if the symbol "E85" is included on the sign, is not required to pay DOT the \$40 annual permit fee. Only a motorist service that offers gasoline consisting of at least 85 percent ethanol in sufficient quantities to generally meet public demand may include the symbol "E85" on its business sign. In determining priority of applicants for installation and maintenance of a business sign, DOT may not consider as a factor that a person requesting the sign is not required to pay the annual permit fee.

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.** 71.05 (6) (a) 15. of the statutes is amended to read:
- 2 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),
- 3 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3n), (3s), (3t), (3w), (5b), (5d), and
- 4 (5e), (5f), and (5h), and (5j) and not passed through by a partnership, limited liability

ASSEMBLY BILL 371

1 company, or tax-option corporation that has added that amount to the partnership's,
2 company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g).

3 SECTION 2. 71.07 (5j) of the statutes is created to read:

4 71.07 (5j) FLEXIBLE FUEL AND ELECTRIC MOTOR VEHICLES CREDIT. (a) *Definitions.*

5 In this subsection:

6 ¹⁰ "Claimant" means a person who files a claim under this subsection.

7 ²⁰ "Eligible vehicle" means any of the following, as determined by the
8 department of transportation under s. 110.23, that is ~~manufactured~~ ^{assembled} in this state and
9 sold or leased to the claimant as a new motor vehicle licensed for highway use:

10 a. A motor vehicle that is capable of using both gasoline and a mixture of
11 gasoline and at least 85 percent ethanol as a fuel to propel the motor vehicle.

12 b. A hybrid-electric vehicle, as defined in s. 16.045 (1) (e).

13 c. A vehicle that satisfies the requirements of the neighborhood electric vehicle
14 test program conducted by the federal department of energy.

15 d. A plug-in hybrid-electric vehicle.

16 (b) *Filing claims.* Subject to the limitations provided under this subsection, ~~for~~
17 ~~taxable years beginning after December 31, 2007, and before January 1, 2013,~~ a
18 claimant may claim as a credit against the taxes imposed under s. 71.02, up to the
19 amount of the tax:

20 1. One of the following amounts, if, in the taxable year, the claimant purchased
21 or leased an eligible vehicle:

22 a. If the purchase price of the eligible vehicle is \$18,000 or more, \$500 for a
23 purchased eligible vehicle and \$100 for a leased eligible vehicle.

24 b. If the purchase price of the eligible vehicle is at least \$17,000, but less than
25 \$18,000, \$450 for a purchased eligible vehicle and \$90 for a leased eligible vehicle.

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ASSEMBLY BILL 371

1 c. If the purchase price of the eligible vehicle is at least \$16,000, but less than
2 \$17,000, \$400 for a purchased eligible vehicle and \$80 for a leased eligible vehicle.

3 d. If the purchase price of the eligible vehicle is at least \$15,000, but less than
4 \$16,000, \$350 for a purchased eligible vehicle and \$70 for a leased eligible vehicle.

5 e. If the purchase price of the eligible vehicle is at least \$14,000, but less than
6 \$15,000, \$300 for a purchased eligible vehicle and \$60 for a leased eligible vehicle.

7 f. If the purchase price of the eligible vehicle is at least \$13,000, but less than
8 \$14,000, \$250 for a purchased eligible vehicle and \$50 for a leased eligible vehicle.

9 g. If the purchase price of the eligible vehicle is at least \$12,000, but less than
10 \$13,000, \$200 for a purchased eligible vehicle and \$40 for a leased eligible vehicle.

11 h. If the purchase price of the eligible vehicle is at least \$11,000, but less than
12 \$12,000, \$150 for a purchased eligible vehicle and \$30 for a leased eligible vehicle.

13 i. If the purchase price of the eligible vehicle is at least \$10,000, but less than
14 \$11,000, \$100 for a purchased eligible vehicle and \$20 for a leased eligible vehicle.

15 2. Fifty dollars, if the claimant purchased in the taxable year an engine
16 modification kit to convert a motor vehicle that the claimant owns into an eligible
17 vehicle.

18 (c) *Limitations.* 1. For purposes of determining the amount of the credit under
19 par. (b) 1. for a leased motor vehicle, the purchase price is the purchase price of the
20 motor vehicle on the first day of the lease period. A claimant who claims a credit
21 under par. (b) 1. for a leased motor vehicle may claim the credit for each year of the

22 lease period, ~~except that the claimant may not claim the credit for taxable years~~

23 ~~beginning before January 1, 2008, or after December 31, 2012.~~

*that corresponds
with a taxable year for which the claimant may claim a credit
under this subsection*

ASSEMBLY BILL 371

1 2. The credit under par. (b) 1. may be claimed only by the first person who takes
2 title of the motor vehicle, other than for resale, or, in the case of a leased vehicle, the
3 first person who leases the vehicle.

4 3. No credit may be claimed under par. (b) 2. unless the claimant submits with
5 the claimant's return any document prescribed by the department that verifies that
6 the engine modification kit described in par. (b) 2. was installed in the claimant's
7 motor vehicle by a certified technician.

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8 ⁴⁵~~40~~ Partnerships, limited liability companies, and tax-option corporations may
9 not claim the credit under this subsection, but the eligibility for, and the amount of,
10 the credit are based on their payment of amounts described under par. (b). A
11 partnership, limited liability company, or tax-option corporation shall compute the
12 amount of credit that each of its partners, members, or shareholders may claim and
13 shall provide that information to each of them. Partners, members of limited liability
14 companies, and shareholders of tax-option corporations may claim the credit in
15 proportion to their ownership interests.

16 (d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under
17 s. 71.28 (4), applies to the credit under this subsection.

18 **SECTION 3.** 71.10 (4) (cn) of the statutes is created to read:

19 71.10 (4) (cn) Flexible fuel and electric motor vehicles credit under s. 71.07 (5j).

20 **SECTION 4.** 71.21 (4) of the statutes is amended to read:

21 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
22 (2dj), (2dL), (2dm), (2ds), (2dx), (3g), (3n), (3s), (3t), (3w), (5b), (5e), (5f), (5g), ~~and~~ (5h),
23 and (5j) and passed through to partners shall be added to the partnership's income.

24 **SECTION 5.** 71.26 (2) (a) of the statutes is amended to read:

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ASSEMBLY BILL 371

SECTION 5

1 71.26 (2) (a) *Corporations in general.* The "net income" of a corporation means
 2 the gross income as computed under the Internal Revenue Code as modified under
 3 sub. (3) minus the amount of recapture under s. 71.28 (1di) plus the amount of credit
 4 computed under s. 71.28 (1), (3), (4), and (5) minus, as provided under s. 71.28 (3) (c)
 5 7., the amount of the credit under s. 71.28 (3) that the taxpayer added to income
 6 under this paragraph at the time that the taxpayer first claimed the credit plus the
 7 amount of the credit computed under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm),
 8 (1ds), (1dx), (3g), (3n), (3t), (3w), (5b), (5e), (5f), (5g), ~~and (5h), and (5j)~~ and not passed
 9 through by a partnership, limited liability company, or tax-option corporation that
 10 has added that amount to the partnership's, limited liability company's, or
 11 tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g) plus the amount
 12 of losses from the sale or other disposition of assets the gain from which would be
 13 wholly exempt income, as defined in sub. (3) (L), if the assets were sold or otherwise
 14 disposed of at a gain and minus deductions, as computed under the Internal Revenue
 15 Code as modified under sub. (3), plus or minus, as appropriate, an amount equal to
 16 the difference between the federal basis and Wisconsin basis of any asset sold,
 17 exchanged, abandoned, or otherwise disposed of in a taxable transaction during the
 18 taxable year, except as provided in par. (b) and s. 71.45 (2) and (5).

19 **SECTION 6.** 71.28 (5j) of the statutes is created to read:

20 71.28 (5j) FLEXIBLE FUEL AND ELECTRIC MOTOR VEHICLES CREDIT. (a) *Definitions.*

21 In this subsection:

22 1. "Claimant" means a person who files a claim under this subsection.

23 2. "Eligible vehicle" means any of the following, as determined by the
 24 department of transportation under s. 110.23, that is ~~manufactured~~ *assembled* in this state and
 25 sold or leased to the claimant as a new motor vehicle licensed for highway use:

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assembled

ASSEMBLY BILL 371

1 a. A motor vehicle that is capable of using both gasoline and a mixture of
2 gasoline and at least 85 percent ethanol as a fuel to propel the motor vehicle.

3 b. A hybrid-electric vehicle, as defined in s. 16.045 (1) (e).

4 c. A vehicle that satisfies the requirements of the neighborhood electric vehicle
5 test program conducted by the federal department of energy.

6 d. A plug-in hybrid-electric vehicle.

7 (b) *Filing claims.* Subject to the limitations provided under this subsection, for
8 ~~taxable years beginning after December 31, 2007, and before January 1, 2013,~~ a
9 claimant may claim as a credit against the taxes imposed under s. 71.23, up to the
10 amount of the tax:

11 1. One of the following amounts, if, in the taxable year, the claimant purchased
12 or leased an eligible vehicle:

13 a. If the purchase price of the eligible vehicle is \$18,000 or more, \$500 for a
14 purchased eligible vehicle and \$100 for a leased eligible vehicle.

15 b. If the purchase price of the eligible vehicle is at least \$17,000, but less than
16 \$18,000, \$450 for a purchased eligible vehicle and \$90 for a leased eligible vehicle.

17 c. If the purchase price of the eligible vehicle is at least \$16,000, but less than
18 \$17,000, \$400 for a purchased eligible vehicle and \$80 for a leased eligible vehicle.

19 d. If the purchase price of the eligible vehicle is at least \$15,000, but less than
20 \$16,000, \$350 for a purchased eligible vehicle and \$70 for a leased eligible vehicle.

21 e. If the purchase price of the eligible vehicle is at least \$14,000, but less than
22 \$15,000, \$300 for a purchased eligible vehicle and \$60 for a leased eligible vehicle.

23 f. If the purchase price of the eligible vehicle is at least \$13,000, but less than
24 \$14,000, \$250 for a purchased eligible vehicle and \$50 for a leased eligible vehicle.

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ASSEMBLY BILL 371

1 g. If the purchase price of the eligible vehicle is at least \$12,000, but less than
2 \$13,000, \$200 for a purchased eligible vehicle and \$40 for a leased eligible vehicle.

3 h. If the purchase price of the eligible vehicle is at least \$11,000, but less than
4 \$12,000, \$150 for a purchased eligible vehicle and \$30 for a leased eligible vehicle.

5 i. If the purchase price of the eligible vehicle is at least \$10,000, but less than
6 \$11,000, \$100 for a purchased eligible vehicle and \$20 for a leased eligible vehicle.

7 2. Fifty dollars, if the claimant purchased in the taxable year an engine
8 modification kit to convert a motor vehicle that the claimant owns into an eligible
9 vehicle.

10 (c) *Limitations.* 1. For purposes of determining the amount of the credit under
11 par. (b) 1. for a leased motor vehicle, the purchase price is the purchase price of the
12 motor vehicle on the first day of the lease period. A claimant who claims a credit
13 under par. (b) 1. for a leased motor vehicle may claim the credit for each year of the
14 lease period, ~~except that the claimant may not claim the credit for taxable years~~
15 ~~beginning before January 1, 2008, or after December 31, 2012.~~

16 2. The credit under par. (b) 1. may be claimed only by the first person who takes
17 title of the motor vehicle, other than for resale, or, in the case of a leased vehicle, the
18 first person who leases the vehicle.

19 3. No credit may be claimed under par. (b) 2. unless the claimant submits with
20 the claimant's return any document prescribed by the department that verifies that
21 the engine modification kit described in par. (b) 2. was installed in the claimant's
22 motor vehicle by a certified technician.

23 ⁵ Partnerships, limited liability companies, and tax-option corporations may
24 not claim the credit under this subsection, but the eligibility for, and the amount of,
25 the credit are based on their payment of amounts described under par. (b). A

that corresponds with a taxable year for which the claimant may claim a credit under this subsection

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ASSEMBLY BILL 371

1 partnership, limited liability company, or tax-option corporation shall compute the
2 amount of credit that each of its partners, members, or shareholders may claim and
3 shall provide that information to each of them. Partners, members of limited liability
4 companies, and shareholders of tax-option corporations may claim the credit in
5 proportion to their ownership interests.

6 (d) *Administration.* Subsection (4) (e) to (h), as it applies to the credit under
7 sub. (4), applies to the credit under this subsection.

8 **SECTION 7.** 71.30 (3) (dq) of the statutes is created to read:

9 71.30 (3) (dq) Flexible fuel and electric motor vehicles credit under s. 71.28 (5j).

10 **SECTION 8.** 71.34 (1) (g) of the statutes is amended to read:

11 71.34 (1) (g) An addition shall be made for credits computed by a tax-option
12 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (3), (3g),
13 (3n), (3t), (3w), (5b), (5e), (5f), (5g), ~~and (5h), and (5j)~~ and passed through to
14 shareholders.

15 **SECTION 9.** 71.45 (2) (a) 10. of the statutes is amended to read:

16 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
17 computed under s. 71.47 (1dd) to (1dx), (3n), (3w), (5b), (5e), (5f), (5g), ~~and (5h), and~~
18 (5j) and not passed through by a partnership, limited liability company, or tax-option
19 corporation that has added that amount to the partnership's, limited liability
20 company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g) and
21 the amount of credit computed under s. 71.47 (1), (3), (3t), (4), and (5).

22 **SECTION 10.** 71.47 (5j) of the statutes is created to read:

23 71.47 (5j) FLEXIBLE FUEL AND ELECTRIC MOTOR VEHICLES CREDIT. (a) *Definitions.*

24 In this subsection:

25 ²
¹ "Claimant" means a person who files a claim under this subsection.

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2. "Eligible vehicle" means any of the following, as determined by the department of transportation under s. 110.23, that is ~~manufactured~~ in this state and sold or leased to the claimant as a new motor vehicle licensed for highway use:

a. A motor vehicle that is capable of using both gasoline and a mixture of gasoline and at least 85 percent ethanol as a fuel to propel the motor vehicle.

b. A hybrid-electric vehicle, as defined in s. 16.045 (1) (e).

c. A vehicle that satisfies the requirements of the neighborhood electric vehicle test program conducted by the federal department of energy.

d. A plug-in hybrid-electric vehicle.

(b) *Filing claims.* Subject to the limitations provided under this subsection, ~~for taxable years beginning after December 31, 2007, and before January 1, 2013,~~ a claimant may claim as a credit against the taxes imposed under s. 71.43, up to the amount of the tax:

1. One of the following amounts, if, in the taxable year, the claimant purchased or leased an eligible vehicle:

a. If the purchase price of the eligible vehicle is \$18,000 or more, \$500 for a purchased eligible vehicle and \$100 for a leased eligible vehicle.

b. If the purchase price of the eligible vehicle is at least \$17,000, but less than \$18,000, \$450 for a purchased eligible vehicle and \$90 for a leased eligible vehicle.

c. If the purchase price of the eligible vehicle is at least \$16,000, but less than \$17,000, \$400 for a purchased eligible vehicle and \$80 for a leased eligible vehicle.

d. If the purchase price of the eligible vehicle is at least \$15,000, but less than \$16,000, \$350 for a purchased eligible vehicle and \$70 for a leased eligible vehicle.

e. If the purchase price of the eligible vehicle is at least \$14,000, but less than \$15,000, \$300 for a purchased eligible vehicle and \$60 for a leased eligible vehicle.

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ASSEMBLY BILL 371

1 f. If the purchase price of the eligible vehicle is at least \$13,000, but less than
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3 g. If the purchase price of the eligible vehicle is at least \$12,000, but less than
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5 h. If the purchase price of the eligible vehicle is at least \$11,000, but less than
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7 i. If the purchase price of the eligible vehicle is at least \$10,000, but less than
8 \$11,000, \$100 for a purchased eligible vehicle and \$20 for a leased eligible vehicle.

9 2. Fifty dollars, if the claimant purchased in the taxable year an engine
10 modification kit to convert a motor vehicle that the claimant owns into an eligible
11 vehicle.

12 (c) *Limitations.* 1. For purposes of determining the amount of the credit under
13 par. (b) 1. for a leased motor vehicle, the purchase price is the purchase price of the
14 motor vehicle on the first day of the lease period. A claimant who claims a credit
15 under par. (b) 1. for a leased motor vehicle may claim the credit for each year of the
16 lease period, ~~except that the claimant may not claim the credit for taxable years~~
17 ~~beginning before January 1, 2008, or after December 31, 2012.~~

18 2. The credit under par. (b) 1. may be claimed only by the first person who takes
19 title of the motor vehicle, other than for resale, or, in the case of a leased vehicle, the
20 first person who leases the vehicle.

21 3. No credit may be claimed under par. (b) 2. unless the claimant submits with
22 the claimant's return any document prescribed by the department that verifies that
23 the engine modification kit described in par. (b) 2. was installed in the claimant's
24 motor vehicle by a certified technician.

that corresponds with a taxable year for which the
claimant may claim a credit under this subsection

ASSEMBLY BILL 371

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Partnerships, limited liability companies, and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit are based on their payment of amounts described under par. (b). A partnership, limited liability company, or tax-option corporation shall compute the amount of credit that each of its partners, members, or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interests.

(d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under s. 71.28 (4), applies to the credit under this subsection.

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SECTION 11. 71.49 (1) (dq) of the statutes is created to read:

71.49 (1) (dq) Flexible fuel and electric motor vehicles credit under s. 71.47 (5j).

SECTION 12. 77.92 (4) of the statutes is amended to read:

77.92 (4) "Net business income," with respect to a partnership, means taxable income as calculated under section 703 of the Internal Revenue Code; plus the items of income and gain under section 702 of the Internal Revenue Code, including taxable state and municipal bond interest and excluding nontaxable interest income or dividend income from federal government obligations; minus the items of loss and deduction under section 702 of the Internal Revenue Code, except items that are not deductible under s. 71.21; plus guaranteed payments to partners under section 707 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3s), (3n), (3t), (3w), (5b), (5e), (5f), (5g), and (5h), and (5j); and plus or minus, as appropriate, transitional adjustments, depreciation differences, and basis differences under s. 71.05 (13), (15), (16), (17), and (19); but excluding income, gain, loss, and deductions from farming. "Net business

ASSEMBLY BILL 371

1 income," with respect to a natural person, estate, or trust, means profit from a trade
2 or business for federal income tax purposes and includes net income derived as an
3 employee as defined in section 3121 (d) (3) of the Internal Revenue Code.

4 SECTION 13. 86.195 (1) (ar) of the statutes is amended to read:

5 86.195 (1) (ar) "Business sign" means a separately attached sign mounted on
6 the rectangular sign panel to show the brand, symbol, trademark, or name, or
7 combination of these, for a motorist service available on a crossroad at or near an
8 interchange or an intersection and, notwithstanding sub. (6) (b), before January 1,

9 2013, may include the symbol "E85" for a motorist service in the "GAS" category.

10 SECTION 14. 86.195 (2) (c) of the statutes is renumbered 86.195 (2) (c) 1. and
11 amended to read:

12 86.195 (2) (c) 1. A Except as provided in subd. 2., a person who requests the
13 erection or installation of a sign under par. (a) or (b) shall pay to the department an
14 annual permit fee of \$40 to cover administrative costs and the cost of inspection of
15 the signs erected or installed under this section. In addition, the person requesting
16 a sign under par. (a) or (b) shall pay a fee for the manufacture, installation and
17 maintenance of the specific information sign and the installation and maintenance
18 of the business sign.

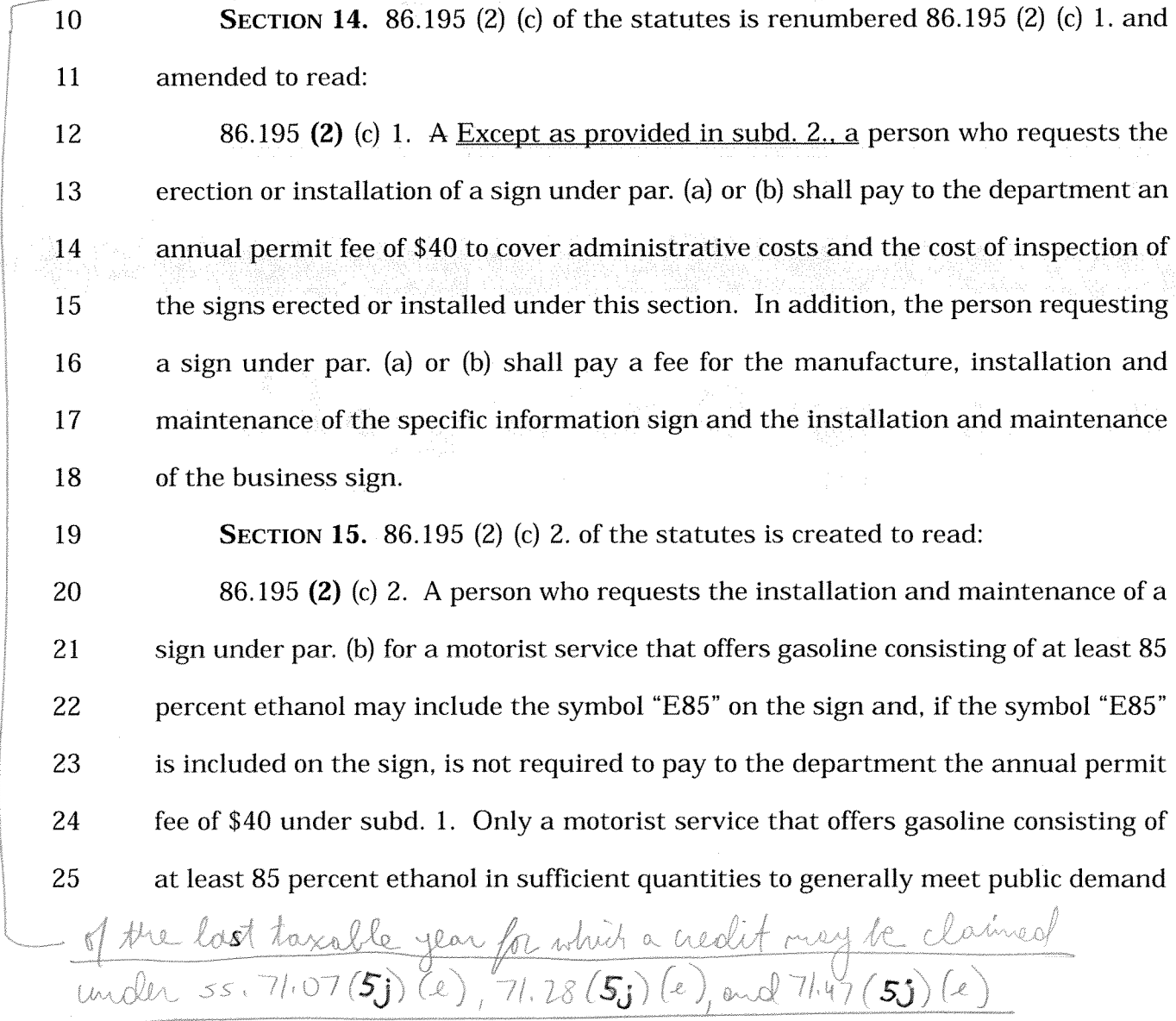
19 SECTION 15. 86.195 (2) (c) 2. of the statutes is created to read:

20 86.195 (2) (c) 2. A person who requests the installation and maintenance of a
21 sign under par. (b) for a motorist service that offers gasoline consisting of at least 85
22 percent ethanol may include the symbol "E85" on the sign and, if the symbol "E85"
23 is included on the sign, is not required to pay to the department the annual permit
24 fee of \$40 under subd. 1. Only a motorist service that offers gasoline consisting of
25 at least 85 percent ethanol in sufficient quantities to generally meet public demand

of the last taxable year for which a credit may be claimed
under ss. 71.07 (5j) (e), 71.28 (5j) (e), and 71.47 (5j) (e)

on or
December 31

8
9



ASSEMBLY BILL 371

December 31

1 may include the symbol "E85" on its business sign. In determining priority of
2 applicants for installation and maintenance of a sign under par. (b), the department
3 may not consider as a factor that under this subdivision a person requesting the
4 installation and maintenance of a sign is not required to pay the annual permit fee.
5 This subdivision does not apply after January 1, 2013.

6 SECTION 16. 110.23 of the statutes is created to read:

7 **110.23 Flexible fuel and electric motor vehicles.** No later than January
8 1 of each year, the department shall prepare and make publicly available a list of
9 motor vehicles, identified by vehicle make and model, that satisfy the criteria for an
10 eligible vehicle specified in ss. 71.07 (5j) (a) ³ 2, 71.28 (5j) (a) ³ 2, and 71.47 (5j) (a) ³ 2.

11 The department may consult with the department of natural resources in preparing
12 this list. After this list is completed each year, the list may not be updated or
13 otherwise modified until its annual update on or about January 1 of the following
14 year. This section does not apply after January 1, 2013.

(END)

*of the last taxable year
for which a credit may be
claimed under ss. 71.07(5j)
(e), 71.28(5j)(e), and 71.47(5j)(e)*

15
INSERT
14-14

D-Note

2007-2008 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBs0122/?ins
JK:.....

Insert A

1 1. "Biodiesel fuel" has the meaning given in s. 168.14 (2m) (a). ✓

Insert B

2 e. A motor vehicle that is capable of using biodiesel fuel as a fuel to propel the
3 motor vehicle.

Insert C

4 4. No claimant may claim the credit under this subsection unless the claimant
5 submits with the claimant's return any documentation prescribed by the department
6 that indicates that the claimant paid at least \$500 on the purchase of biodiesel fuel
7 or motor vehicle fuel sold as 85 percent ethanol during the period beginning on the
8 date that the claimant purchased the motor vehicle or on the first day of the lease
9 period and ending on December 31 of the calendar year following the calendar year
10 in which the claimant purchased or ~~leased~~ ^{began leasing} the motor vehicle.

Insert D

11 by (e) *Sunset*. No credit may be claimed under this subsection for taxable years
12 beginning after December 31, 2009, except the the joint committee on finance may,
13 be a two-thirds vote of the members present and voting, extend the credit under this
14 subsection so that credits may be claimed for taxable years beginning after December
15 31, 2009, and before January 1, 2011. ✓

Insert 14 - 14

16 SECTION 1. Initial applicability.

17 (1) The treatment of sections 71.05 (6) (a) 15., 71.07 (5j), 71.10 (4) (cn), 71.21
18 (4), 71.26 (2) (a), 71.28 (5j), 71.30 (3) (dq), 71.34 (1) (g), 71.45 (2) (a) 10., 71.47 (5j),

1 71.49 (1) (dq), and 77.92 (4) of the statutes first applies to taxable years beginning
2 on January 1, 2008.

STATE OF WISCONSIN - LEGISLATIVE REFERENCE BUREAU

LRB

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

LRB

50122/Pldn
JK: gjs

Representative Albers:

<intent component>

JK

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBs0122/P1dn
JK:cjs:nwn

August 8, 2007

Representative Albers:

Please review this draft carefully to ensure that it is consistent with your intent.

Joseph T. Kreye
Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.wisconsin.gov



State of Wisconsin
2007 - 2008 LEGISLATURE

LRBs0122/P1
JK&ARG:cjs:nwn

Stays RMR

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~
ASSEMBLY SUBSTITUTE AMENDMENT ,
TO 2007 ASSEMBLY BILL 371

SAV

Reagan Cat.

in 8-10-07

due used
8-15-07

1 **AN ACT to renumber and amend** 86.195 (2) (c); **to amend** 71.05 (6) (a) 15., 71.21
2 (4), 71.26 (2) (a), 71.34 (1) (g), 71.45 (2) (a) 10., 77.92 (4) and 86.195 (1) (ar); and
3 **to create** 71.07 (5j), 71.10 (4) (cn), 71.28 (5j), 71.30 (3) (dq), 71.47 (5j), 71.49 (1)
4 (dq), 86.195 (2) (c) 2. and 110.23 of the statutes; **relating to:** highway specific
5 information signs and creating income and franchise tax credits for certain
6 electric motor vehicles and for motor vehicles that use biodiesel or gasoline and
7 ethanol mixtures as fuel.

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

8 **SECTION 1.** 71.05 (6) (a) 15. of the statutes is amended to read:
9 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),
10 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3n), (3s), (3t), (3w), (5b), (5d), and

1 (5e), (5f), ~~and (5h)~~, and (5j) and not passed through by a partnership, limited liability
2 company, or tax-option corporation that has added that amount to the partnership's,
3 company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g).

4 **SECTION 2.** 71.07 (5j) of the statutes is created to read:

5 71.07 (5j) FLEXIBLE FUEL AND ELECTRIC MOTOR VEHICLES CREDIT. (a) *Definitions.*

6 In this subsection:

- 7 1. "Biodiesel fuel" has the meaning given in s. 168.14 (2m) (a).
8 2. "Claimant" means a person who files a claim under this subsection.
9 3. "Eligible vehicle" means any of the following, as determined by the
10 department of transportation under s. 110.23, that is assembled in this state and sold
11 or leased to the claimant as a new motor vehicle licensed for highway use:
- 12 a. A motor vehicle that is capable of using both gasoline and a mixture of
13 gasoline and at least 85 percent ethanol as a fuel to propel the motor vehicle.
 - 14 b. A hybrid-electric vehicle, as defined in s. 16.045 (1) (e).
 - 15 c. A vehicle that satisfies the requirements of the neighborhood electric vehicle
16 test program conducted by the federal department of energy.
 - 17 d. A plug-in hybrid-electric vehicle.
 - 18 e. A motor vehicle that is capable of using biodiesel fuel as a fuel to propel the
19 motor vehicle.

20 (b) *Filing claims.* Subject to the limitations provided under this subsection, a
21 claimant may claim as a credit against the taxes imposed under s. 71.02, up to the
22 amount of the tax:

- 23 1. One of the following amounts, if, in the taxable year, the claimant purchased
24 or leased an eligible vehicle:

1 a. If the purchase price of the eligible vehicle is \$18,000 or more, \$500 for a
2 purchased eligible vehicle and \$100 for a leased eligible vehicle.

3 b. If the purchase price of the eligible vehicle is at least \$17,000, but less than
4 \$18,000, \$450 for a purchased eligible vehicle and \$90 for a leased eligible vehicle.

5 c. If the purchase price of the eligible vehicle is at least \$16,000, but less than
6 \$17,000, \$400 for a purchased eligible vehicle and \$80 for a leased eligible vehicle.

7 d. If the purchase price of the eligible vehicle is at least \$15,000, but less than
8 \$16,000, \$350 for a purchased eligible vehicle and \$70 for a leased eligible vehicle.

9 e. If the purchase price of the eligible vehicle is at least \$14,000, but less than
10 \$15,000, \$300 for a purchased eligible vehicle and \$60 for a leased eligible vehicle.

11 f. If the purchase price of the eligible vehicle is at least \$13,000, but less than
12 \$14,000, \$250 for a purchased eligible vehicle and \$50 for a leased eligible vehicle.

13 g. If the purchase price of the eligible vehicle is at least \$12,000, but less than
14 \$13,000, \$200 for a purchased eligible vehicle and \$40 for a leased eligible vehicle.

15 h. If the purchase price of the eligible vehicle is at least \$11,000, but less than
16 \$12,000, \$150 for a purchased eligible vehicle and \$30 for a leased eligible vehicle.

17 i. If the purchase price of the eligible vehicle is at least \$10,000, but less than
18 \$11,000, \$100 for a purchased eligible vehicle and \$20 for a leased eligible vehicle.

19 2. Fifty dollars, if the claimant purchased in the taxable year an engine
20 modification kit to convert a motor vehicle that the claimant owns into an eligible
21 vehicle.

22 (c) *Limitations.* 1. For purposes of determining the amount of the credit under
23 par. (b) 1. for a leased ~~motor~~ ^{eligible} vehicle, the purchase price is the purchase price of the
24 ~~motor~~ ^{eligible} vehicle on the first day of the lease period. A claimant who claims a credit
25 under par. (b) 1. for a leased ~~motor~~ ^{eligible} vehicle may claim the credit for each year of the

1 lease period that corresponds with a taxable year for which the claimant may claim
2 a credit under this subsection.

3 2. The credit under par. (b) 1. may be claimed only by the first person who takes
4 title of the ^{eligible} motor vehicle, other than for resale, or, in the case of a leased vehicle, the
5 first person who leases the vehicle.

6 3. No credit may be claimed under par. (b) 2. unless the claimant submits with
7 the claimant's return any document prescribed by the department that verifies that
8 the engine modification kit described in par. (b) 2. was installed in the claimant's
9 motor vehicle by a certified technician. *(for vehicles described under par. (a) 3. a. and e.)*

10 4. No claimant may claim the credit under this subsection unless the claimant
11 submits with the claimant's return any documentation prescribed by the department
12 that indicates that the claimant paid at least \$500 on the purchase of biodiesel fuel
13 or motor vehicle fuel sold as 85 percent ethanol during the period beginning on the
14 date that the claimant purchased the motor vehicle or on the first day of the lease
15 period and ending on December 31 of the calendar year following the calendar year
16 in which the claimant purchased or began leasing the motor vehicle.

17 5. Partnerships, limited liability companies, and tax-option corporations may
18 not claim the credit under this subsection, but the eligibility for, and the amount of,
19 the credit are based on their payment of amounts described under par. (b). A
20 partnership, limited liability company, or tax-option corporation shall compute the
21 amount of credit that each of its partners, members, or shareholders may claim and
22 shall provide that information to each of them. Partners, members of limited liability
23 companies, and shareholders of tax-option corporations may claim the credit in
24 proportion to their ownership interests.

1 (d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under
2 s. 71.28 (4), applies to the credit under this subsection.

3 (e) *Sunset.* No credit may be claimed under this subsection for taxable years
4 beginning after December 31, 2009, except the the joint committee on finance may,
5 by a two-thirds vote of the members present and voting, extend the credit under this
6 subsection so that credits may be claimed for taxable years beginning after December
7 31, 2009, and before January 1, 2011.

8 **SECTION 3.** 71.10 (4) (cn) of the statutes is created to read:

9 71.10 (4) (cn) Flexible fuel and electric motor vehicles credit under s. 71.07 (5j).

10 **SECTION 4.** 71.21 (4) of the statutes is amended to read:

11 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
12 (2dj), (2dL), (2dm), (2ds), (2dx), (3g), (3n), (3s), (3t), (3w), (5b), (5e), (5f), (5g), ~~and~~ (5h),
13 and (5j) and passed through to partners shall be added to the partnership's income.

14 **SECTION 5.** 71.26 (2) (a) of the statutes is amended to read:

15 71.26 (2) (a) *Corporations in general.* The "net income" of a corporation means
16 the gross income as computed under the Internal Revenue Code as modified under
17 sub. (3) minus the amount of recapture under s. 71.28 (1di) plus the amount of credit
18 computed under s. 71.28 (1), (3), (4), and (5) minus, as provided under s. 71.28 (3) (c)
19 7., the amount of the credit under s. 71.28 (3) that the taxpayer added to income
20 under this paragraph at the time that the taxpayer first claimed the credit plus the
21 amount of the credit computed under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm),
22 (1ds), (1dx), (3g), (3n), (3t), (3w), (5b), (5e), (5f), (5g), ~~and~~ (5h), and (5j) and not passed
23 through by a partnership, limited liability company, or tax-option corporation that
24 has added that amount to the partnership's, limited liability company's, or
25 tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g) plus the amount

1 of losses from the sale or other disposition of assets the gain from which would be
2 wholly exempt income, as defined in sub. (3) (L), if the assets were sold or otherwise
3 disposed of at a gain and minus deductions, as computed under the Internal Revenue
4 Code as modified under sub. (3), plus or minus, as appropriate, an amount equal to
5 the difference between the federal basis and Wisconsin basis of any asset sold,
6 exchanged, abandoned, or otherwise disposed of in a taxable transaction during the
7 taxable year, except as provided in par. (b) and s. 71.45 (2) and (5).

8 **SECTION 6.** 71.28 (5j) of the statutes is created to read:

9 71.28 (5j) FLEXIBLE FUEL AND ELECTRIC MOTOR VEHICLES CREDIT. (a) *Definitions.*

10 In this subsection:

- 11 1. "Biodiesel fuel" has the meaning given in s. 168.14 (2m) (a).
- 12 2. "Claimant" means a person who files a claim under this subsection.
- 13 3. "Eligible vehicle" means any of the following, as determined by the
14 department of transportation under s. 110.23, that is assembled in this state and sold
15 or leased to the claimant as a new motor vehicle licensed for highway use:
 - 16 a. A motor vehicle that is capable of using both gasoline and a mixture of
17 gasoline and at least 85 percent ethanol as a fuel to propel the motor vehicle.
 - 18 b. A hybrid-electric vehicle, as defined in s. 16.045 (1) (e).
 - 19 c. A vehicle that satisfies the requirements of the neighborhood electric vehicle
20 test program conducted by the federal department of energy.
 - 21 d. A plug-in hybrid-electric vehicle.
 - 22 e. A motor vehicle that is capable of using biodiesel fuel as a fuel to propel the
23 motor vehicle.

1 (b) *Filing claims.* Subject to the limitations provided under this subsection, a
2 claimant may claim as a credit against the taxes imposed under s. 71.23, up to the
3 amount of the tax:

4 1. One of the following amounts, if, in the taxable year, the claimant purchased
5 or leased an eligible vehicle:

6 a. If the purchase price of the eligible vehicle is \$18,000 or more, \$500 for a
7 purchased eligible vehicle and \$100 for a leased eligible vehicle.

8 b. If the purchase price of the eligible vehicle is at least \$17,000, but less than
9 \$18,000, \$450 for a purchased eligible vehicle and \$90 for a leased eligible vehicle.

10 c. If the purchase price of the eligible vehicle is at least \$16,000, but less than
11 \$17,000, \$400 for a purchased eligible vehicle and \$80 for a leased eligible vehicle.

12 d. If the purchase price of the eligible vehicle is at least \$15,000, but less than
13 \$16,000, \$350 for a purchased eligible vehicle and \$70 for a leased eligible vehicle.

14 e. If the purchase price of the eligible vehicle is at least \$14,000, but less than
15 \$15,000, \$300 for a purchased eligible vehicle and \$60 for a leased eligible vehicle.

16 f. If the purchase price of the eligible vehicle is at least \$13,000, but less than
17 \$14,000, \$250 for a purchased eligible vehicle and \$50 for a leased eligible vehicle.

18 g. If the purchase price of the eligible vehicle is at least \$12,000, but less than
19 \$13,000, \$200 for a purchased eligible vehicle and \$40 for a leased eligible vehicle.

20 h. If the purchase price of the eligible vehicle is at least \$11,000, but less than
21 \$12,000, \$150 for a purchased eligible vehicle and \$30 for a leased eligible vehicle.

22 i. If the purchase price of the eligible vehicle is at least \$10,000, but less than
23 \$11,000, \$100 for a purchased eligible vehicle and \$20 for a leased eligible vehicle.

1 2. Fifty dollars, if the claimant purchased in the taxable year an engine
2 modification kit to convert a motor vehicle that the claimant owns into an eligible
3 vehicle.

4 (c) *Limitations.* 1. For purposes of determining the amount of the credit under
5 par. (b) 1. for a leased ~~motor~~ ^{eligible} vehicle, the purchase price is the purchase price of the
6 ~~motor~~ ^{eligible} vehicle on the first day of the lease period. A claimant who claims a credit
7 under par. (b) 1. for a leased ~~motor~~ ^{eligible} vehicle may claim the credit for each year of the
8 lease period that corresponds with a taxable year for which the claimant may claim
9 a credit under this subsection.

10 2. The credit under par. (b) 1. may be claimed only by the first person who takes
11 title of the ~~motor~~ ^{eligible} vehicle, other than for resale, or, in the case of a leased vehicle, the
12 first person who leases the vehicle.

13 3. No credit may be claimed under par. (b) 2. unless the claimant submits with
14 the claimant's return any document prescribed by the department that verifies that
15 the engine modification kit described in par. (b) 2. was installed in the claimant's
16 motor vehicle by a certified technician.

17 4. No claimant may claim the credit under this subsection unless the claimant
18 submits with the claimant's return any documentation prescribed by the department
19 that indicates that the claimant paid at least \$500 on the purchase of biodiesel fuel
20 or motor vehicle fuel sold as 85 percent ethanol during the period beginning on the
21 date that the claimant purchased the motor vehicle or on the first day of the lease
22 period and ending on December 31 of the calendar year following the calendar year
23 in which the claimant purchased or began leasing the motor vehicle.

24 5. Partnerships, limited liability companies, and tax-option corporations may
25 not claim the credit under this subsection, but the eligibility for, and the amount of,

for vehicles described under par. (a)
3, a, and e,

1 the credit are based on their payment of amounts described under par. (b). A
2 partnership, limited liability company, or tax-option corporation shall compute the
3 amount of credit that each of its partners, members, or shareholders may claim and
4 shall provide that information to each of them. Partners, members of limited liability
5 companies, and shareholders of tax-option corporations may claim the credit in
6 proportion to their ownership interests.

7 (d) *Administration.* Subsection (4) (e) to (h), as it applies to the credit under
8 sub. (4), applies to the credit under this subsection.

9 (e) *Sunset.* No credit may be claimed under this subsection for taxable years
10 beginning after December 31, 2009, except the the joint committee on finance may,
11 by a two-thirds vote of the members present and voting, extend the credit under this
12 subsection so that credits may be claimed for taxable years beginning after December
13 31, 2009, and before January 1, 2011.

14 **SECTION 7.** 71.30 (3) (dq) of the statutes is created to read:

15 71.30 (3) (dq) Flexible fuel and electric motor vehicles credit under s. 71.28 (5j).

16 **SECTION 8.** 71.34 (1) (g) of the statutes is amended to read:

17 71.34 (1) (g) An addition shall be made for credits computed by a tax-option
18 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (3), (3g),
19 (3n), (3t), (3w), (5b), (5e), (5f), (5g), ~~and (5h), and (5j)~~ and passed through to
20 shareholders.

21 **SECTION 9.** 71.45 (2) (a) 10. of the statutes is amended to read:

22 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
23 computed under s. 71.47 (1dd) to (1dx), (3n), (3w), (5b), (5e), (5f), (5g), ~~and (5h), and~~
24 (5j) and not passed through by a partnership, limited liability company, or tax-option
25 corporation that has added that amount to the partnership's, limited liability

1 company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g) and
2 the amount of credit computed under s. 71.47 (1), (3), (3t), (4), and (5).

3 **SECTION 10.** 71.47 (5j) of the statutes is created to read:

4 **71.47 (5j) FLEXIBLE FUEL AND ELECTRIC MOTOR VEHICLES CREDIT.** (a) *Definitions.*

5 In this subsection:

6 1. "Biodiesel fuel" has the meaning given in s. 168.14 (2m) (a).

7 2. "Claimant" means a person who files a claim under this subsection.

8 3. "Eligible vehicle" means any of the following, as determined by the
9 department of transportation under s. 110.23, that is assembled in this state and sold
10 or leased to the claimant as a new motor vehicle licensed for highway use:

11 a. A motor vehicle that is capable of using both gasoline and a mixture of
12 gasoline and at least 85 percent ethanol as a fuel to propel the motor vehicle.

13 b. A hybrid-electric vehicle, as defined in s. 16.045 (1) (e).

14 c. A vehicle that satisfies the requirements of the neighborhood electric vehicle
15 test program conducted by the federal department of energy.

16 d. A plug-in hybrid-electric vehicle.

17 e. A motor vehicle that is capable of using biodiesel fuel as a fuel to propel the
18 motor vehicle.

19 (b) *Filing claims.* Subject to the limitations provided under this subsection, a
20 claimant may claim as a credit against the taxes imposed under s. 71.43, up to the
21 amount of the tax:

22 1. One of the following amounts, if, in the taxable year, the claimant purchased
23 or leased an eligible vehicle:

24 a. If the purchase price of the eligible vehicle is \$18,000 or more, \$500 for a
25 purchased eligible vehicle and \$100 for a leased eligible vehicle.

1 b. If the purchase price of the eligible vehicle is at least \$17,000, but less than
2 \$18,000, \$450 for a purchased eligible vehicle and \$90 for a leased eligible vehicle.

3 c. If the purchase price of the eligible vehicle is at least \$16,000, but less than
4 \$17,000, \$400 for a purchased eligible vehicle and \$80 for a leased eligible vehicle.

5 d. If the purchase price of the eligible vehicle is at least \$15,000, but less than
6 \$16,000, \$350 for a purchased eligible vehicle and \$70 for a leased eligible vehicle.

7 e. If the purchase price of the eligible vehicle is at least \$14,000, but less than
8 \$15,000, \$300 for a purchased eligible vehicle and \$60 for a leased eligible vehicle.

9 f. If the purchase price of the eligible vehicle is at least \$13,000, but less than
10 \$14,000, \$250 for a purchased eligible vehicle and \$50 for a leased eligible vehicle.

11 g. If the purchase price of the eligible vehicle is at least \$12,000, but less than
12 \$13,000, \$200 for a purchased eligible vehicle and \$40 for a leased eligible vehicle.

13 h. If the purchase price of the eligible vehicle is at least \$11,000, but less than
14 \$12,000, \$150 for a purchased eligible vehicle and \$30 for a leased eligible vehicle.

15 i. If the purchase price of the eligible vehicle is at least \$10,000, but less than
16 \$11,000, \$100 for a purchased eligible vehicle and \$20 for a leased eligible vehicle.

17 2. Fifty dollars, if the claimant purchased in the taxable year an engine
18 modification kit to convert a motor vehicle that the claimant owns into an eligible
19 vehicle.

20 (c) *Limitations.* 1. For purposes of determining the amount of the credit under
21 par. (b) 1. for a leased ~~motor~~^{eligible} vehicle, the purchase price is the purchase price of the
22 ~~motor~~^{eligible} vehicle on the first day of the lease period. A claimant who claims a credit
23 under par. (b) 1. for a leased ~~motor~~^{eligible} vehicle may claim the credit for each year of the
24 lease period that corresponds with a taxable year for which the claimant may claim
25 a credit under this subsection.

eligible

1 2. The credit under par. (b) 1. may be claimed only by the first person who takes
2 title of the ~~motor~~ vehicle, other than for resale, or, in the case of a leased vehicle, the
3 first person who leases the vehicle.

4 3. No credit may be claimed under par. (b) 2. unless the claimant submits with
5 the claimant's return any document prescribed by the department that verifies that
6 the engine modification kit described in par. (b) 2. was installed in the claimant's
7 motor vehicle by a certified technician. *for vehicles described under par. (a)
3. a. and e.*

8 4. No claimant may claim the credit under this subsection unless the claimant
9 submits with the claimant's return any documentation prescribed by the department
10 that indicates that the claimant paid at least \$500 on the purchase of biodiesel fuel
11 or motor vehicle fuel sold as 85 percent ethanol during the period beginning on the
12 date that the claimant purchased the motor vehicle or on the first day of the lease
13 period and ending on December 31 of the calendar year following the calendar year
14 in which the claimant purchased or began leasing the motor vehicle.

15 5. Partnerships, limited liability companies, and tax-option corporations may
16 not claim the credit under this subsection, but the eligibility for, and the amount of,
17 the credit are based on their payment of amounts described under par. (b). A
18 partnership, limited liability company, or tax-option corporation shall compute the
19 amount of credit that each of its partners, members, or shareholders may claim and
20 shall provide that information to each of them. Partners, members of limited liability
21 companies, and shareholders of tax-option corporations may claim the credit in
22 proportion to their ownership interests.

23 (d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under
24 s. 71.28 (4), applies to the credit under this subsection.

1 (e) *Sunset*. No credit may be claimed under this subsection for taxable years
2 beginning after December 31, 2009, except the the joint committee on finance may,
3 by a two-thirds vote of the members present and voting, extend the credit under this
4 subsection so that credits may be claimed for taxable years beginning after December
5 31, 2009, and before January 1, 2011.

6 **SECTION 11.** 71.49 (1) (dq) of the statutes is created to read:

7 71.49 (1) (dq) Flexible fuel and electric motor vehicles credit under s. 71.47 (5j).

8 **SECTION 12.** 77.92 (4) of the statutes is amended to read:

9 77.92 (4) "Net business income," with respect to a partnership, means taxable
10 income as calculated under section 703 of the Internal Revenue Code; plus the items
11 of income and gain under section 702 of the Internal Revenue Code, including taxable
12 state and municipal bond interest and excluding nontaxable interest income or
13 dividend income from federal government obligations; minus the items of loss and
14 deduction under section 702 of the Internal Revenue Code, except items that are not
15 deductible under s. 71.21; plus guaranteed payments to partners under section 707
16 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),
17 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3s), (3n), (3t), (3w), (5b), (5e), (5f),
18 (5g), ~~and (5h), and (5j)~~; and plus or minus, as appropriate, transitional adjustments,
19 depreciation differences, and basis differences under s. 71.05 (13), (15), (16), (17), and
20 (19); but excluding income, gain, loss, and deductions from farming. "Net business
21 income," with respect to a natural person, estate, or trust, means profit from a trade
22 or business for federal income tax purposes and includes net income derived as an
23 employee as defined in section 3121 (d) (3) of the Internal Revenue Code.

24 **SECTION 13.** 86.195 (1) (ar) of the statutes is amended to read:

1 86.195 (1) (ar) "Business sign" means a separately attached sign mounted on
2 the rectangular sign panel to show the brand, symbol, trademark, or name, or
3 combination of these, for a motorist service available on a crossroad at or near an
4 interchange or an intersection and, notwithstanding sub. (6) (b), on or before
5 December 31 of the last taxable year for which a credit may be claimed under ss.
6 71.07 (5j) (e), 71.28 (5j) (e), and 71.47 (5j) (e), may include the symbol "E85" for a
7 motorist service in the "GAS" category.

8 **SECTION 14.** 86.195 (2) (c) of the statutes is renumbered 86.195 (2) (c) 1. and
9 amended to read:

10 86.195 (2) (c) 1. A Except as provided in subd. 2., a person who requests the
11 erection or installation of a sign under par. (a) or (b) shall pay to the department an
12 annual permit fee of \$40 to cover administrative costs and the cost of inspection of
13 the signs erected or installed under this section. In addition, the person requesting
14 a sign under par. (a) or (b) shall pay a fee for the manufacture, installation and
15 maintenance of the specific information sign and the installation and maintenance
16 of the business sign.

17 **SECTION 15.** 86.195 (2) (c) 2. of the statutes is created to read:

18 86.195 (2) (c) 2. A person who requests the installation and maintenance of a
19 sign under par. (b) for a motorist service that offers gasoline consisting of at least 85
20 percent ethanol may include the symbol "E85" on the sign and, if the symbol "E85"
21 is included on the sign, is not required to pay to the department the annual permit
22 fee of \$40 under subd. 1. Only a motorist service that offers gasoline consisting of
23 at least 85 percent ethanol in sufficient quantities to generally meet public demand
24 may include the symbol "E85" on its business sign. In determining priority of
25 applicants for installation and maintenance of a sign under par. (b), the department

1 may not consider as a factor that under this subdivision a person requesting the
2 installation and maintenance of a sign is not required to pay the annual permit fee.
3 This subdivision does not apply after December 31 of the last taxable year for which
4 a credit may be claimed under ss. 71.07 (5j) (e), 71.28 (5j) (e), and 71.47 (5j) (e).

5 **SECTION 16.** 110.23 of the statutes is created to read:

6 **110.23 Flexible fuel and electric motor vehicles.** No later than January
7 1 of each year, the department shall prepare and make publicly available a list of
8 motor vehicles, identified by vehicle make and model, that satisfy the criteria for an
9 eligible vehicle specified in ss. 71.07 (5j) (a) 2., 71.28 (5j) (a) 2., and 71.47 (5j) (a) 2.
10 The department may consult with the department of natural resources in preparing
11 this list. After this list is completed each year, the list may not be updated or
12 otherwise modified until its annual update on or about January 1 of the following
13 year. This section does not apply after December 31 of the last taxable year for which
14 a credit may be claimed under ss. 71.07 (5j) (e), 71.28 (5j) (e), and 71.47 (5j) (e).

15 **SECTION 17. Initial applicability.**

16 (1) The treatment of sections 71.05 (6) (a) 15., 71.07 (5j), 71.10 (4) (cn), 71.21
17 (4), 71.26 (2) (a), 71.28 (5j), 71.30 (3) (dq), 71.34 (1) (g), 71.45 (2) (a) 10., 71.47 (5j),
18 71.49 (1) (dq), and 77.92 (4) of the statutes first applies to taxable years beginning
19 on January 1, 2008.

20 (END)

Barman, Mike

From: Barman, Mike
Sent: Thursday, December 06, 2007 9:05 AM
To: Rep.Albers; Griffiths, Terri
Cc: *DOA Fiscal Estimates
Subject: Possible "Supplemental" FE on ASA1-AB371 (LRBs0122/1)

Please see Joint Rule 41 (3) (b) below ...

"SUPPLEMENTAL" FISCAL ESTIMATES.

Legislative Joint Rules 41 (3) (a), (b), (c) and (f), 46 (4), and 48 (2) and (3) provide for the preparation and publication of "supplemental" fiscal estimates.

(1) *Joint Rule 48 (2).* During an original fiscal estimate's five-day review period, but not afterwards, the bill's primary author may electronically submit to the Legislative Reference Bureau (lrb.legal@legis.wisconsin.gov) (Attn: Mike Barman) (phone: 266-3561) a request for an agency to also prepare a "supplemental" fiscal estimate for the bill as affected by an introduced or un-introduced proposed amendment or substitute amendment. This request is processed the same as the original fiscal estimate except that only one agency is required to prepare the "supplemental" fiscal estimate instead of the multiple agencies that may have prepared an estimate for the original bill. The Legislative Reference Bureau will electronically forward the request from the author to the Department of Administration and will include an electronic copy of the amendment or substitute amendment.

(2) *Joint Rule 48 (3).* The primary author of an introduced bill may request the Legislative Fiscal Bureau or the Department of Administration to prepare a "supplemental" fiscal estimate on a bill if the primary author disagrees with an estimate prepared by a state agency.

(3) *Joint Rule 41 (3) (c).* The Department of Administration may submit a "supplemental" estimate on its own initiative when the department disagrees with an estimate prepared by a state agency.

4) Joint Rule 41 (3) (b). By request of the primary author of an introduced bill, the presiding officer of either house of the Legislature may request (through DOA/LRB) that a state agency prepare a "supplemental" fiscal estimate on a bill or on a bill as affected by a proposed amendment or substitute amendment.

(5) *Joint Rule 41 (3) (a).* The Joint Committee on Finance by a majority of its members or by either co-chairperson may request from a state agency (through the Department of Administration) or from the Legislative Fiscal Bureau a "supplemental" fiscal estimate on a bill or on a bill as affected by a proposed amendment or substitute amendment, if the committee or co-chairperson believes that the estimate on the bill or the modified bill would be substantially different from the estimate on the original bill.

An e-mail request sent by either the President's or the Speaker's office to both the fiscal estimate coordinator at DOA (fes@doa.state.wi.us) (Attn: Vicky LaBelle) and the LRB (lrb.legal@legis.wisconsin.gov) (Attn: Mike Barman) is the best (fastest) way to go.

- 1. In the e-mail please quote the Joint Rule that applies.**
- 2. Please note the Introduction and LRB number of the bill, substitute amendment or simple amendment the fiscal estimate is to based on.**
- 3. Please state the agency requested to prepare the "supplemental" fiscal estimate.**

Feel free to contact me if you have any questions.

Mike Barman (Senior Program Assistant)
State of Wisconsin - Legislative Reference Bureau

12/06/2007

Barman, Mike

From: Rep.Huebsch
Sent: Thursday, December 06, 2007 3:03 PM
To: *DOA Fiscal Estimates
Cc: Barman, Mike
Subject: Request for Supplemental Fiscal Estimate
Attachments: 07s01221 sub to AB 371.pdf

Per Joint Rule 41 (3) (b), I am requesting a supplemental fiscal estimate on LRB 07s01221 (attached) to AB 371 which will be scheduled for an executive session on December 20, 2007.

Please contact Jodi Jensen (266-3387) in my office with any questions.

Thank you.

Mike Huebsch