



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

1 EAST MAIN, SUITE 200
P. O. BOX 2037
MADISON, WI 53701-2037

LEGAL SECTION: (608) 266-3561
REFERENCE SECTION: (608) 266-0341
FAX: (608) 264-6948

STEPHEN R. MILLER
CHIEF

April 18, 2007

MEMORANDUM

To: Senator Kanavas

From: Joseph T. Kreye, Sr. Legislative Attorney, (608) 266-2263
Christopher Sundberg, Legislative Attorney, (608) 266-9739

Subject: Technical Memorandum to **2007 SB 139** (LRB-0015/2) by **DOR**

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

April 18, 2007

TO: Joseph Kreye
Legislative Reference Bureau

Christopher T. Sundberg
Legislative Reference Bureau

FROM: Rebecca Boldt
Department of Revenue

SUBJECT: Technical Memorandum on SB 139 – Nanotechnology credit

The Department has the following concerns with the above referenced bill:

In subd. (5i)(b)1., the credit applies to machines, processing equipment, accessories, attachments and parts that are used for "qualified research and manufacturing." It is unclear if a piece of equipment would have to be used for both qualified research and manufacturing to be eligible for the credit, or if the equipment could be used for qualified research or manufacturing. If an item used exclusively for manufacturing or exclusively for qualified research is intended to be eligible for the credit, this should be clarified.

It appears that some of the expenses claimed in this credit would also be eligible for the research credit provided in sec. 71.28(4). If it is not the author's intent to allow both credits to be claimed for the same expenditures, the language in sec. 71.28(4) should be changed to disqualify expenses included in this credit from the research credit, or vice versa.

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.

cc: Sen. Kanavas