



State of Wisconsin

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STEPHEN R. MILLER
CHIEF

February 12, 2008

MEMORANDUM

To: Senator Vinehout

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

Subject: Technical Memorandum to **2007 SB 425** (LRB-3891/1) 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

February 1, 2008

TO: Joseph Kreye
Legislative Reference Bureau

FROM: Rebecca Boldt
Department of Revenue

SUBJECT: Technical Memorandum on SB425 – Meat Processing Facility Investment Credit

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

Generally, a taxpayer who claims a credit must add the credit amount to income so the taxpayer does not receive a double benefit for the same activity. This bill does not contain a provision to add the credit amount to the claimant's income. The dairy manufacturing facility investment credit, which is similar to this one, has such a provision. If the author's intent is to administer this credit in the same manner as the dairy manufacturing facility investment credit, secs. 71.05(6)(a)15., 71.26(2)(a), and 71.45(2)(a)10. should be amended to include (3r) in the list of credits to be added to income.

As with other credits administered by the Department of Commerce, the bill should require the taxpayer to attach a copy of the certification and credit allocation from Commerce to the tax return for the year on which the credit is claimed.

If you have any questions regarding this technical memorandum, please contact Michael Oakleaf at 261-5173 or via email at Michael.oakleaf@revenue.wi.us.

cc: Sen. Vinehout