



State of Wisconsin  
2007 - 2008 LEGISLATURE

3992/3

LRB-3838/2

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insert

stays

2007 BILL

in 2/6/08  
wanted 2/7/08  
identical to  
LRB 3838/3

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1 AN ACT *to repeal* 49.149 (4), 234.63, 560.605 (2m) (g) and 560.605 (7) (b) 5.; *to*  
2 *renumber* 71.30 (3) (em), 71.30 (3) (emb), 71.30 (3) (en), 71.30 (3) (eo), 71.30 (3)  
3 (eom), 71.49 (1) (em), 71.49 (1) (emb), 71.49 (1) (en), 71.49 (1) (eo) and 71.49 (1)  
4 (eom); *to renumber and amend* 560.70 (2m) and 560.7995 (4) (b); *to amend*  
5 13.94 (4) (a) 1., 71.05 (6) (a) 15., 71.08 (1) (intro.), 71.21 (4), 71.26 (2) (a), 71.34  
6 (1) (g), 71.45 (2) (a) 10., 76.67 (2), 77.92 (4), 234.03 (2m), 234.03 (11), 234.08 (1),  
7 234.265 (2), 234.40 (4), 234.50 (4), 234.60 (2), 234.61 (1), 234.66 (3) (b), 560.70  
8 (7) (a), 560.74 (1), 560.745 (1) (b), 560.745 (2) (am), 560.78 (3) (a), 560.797 (2)  
9 (a) (intro.), 560.797 (2) (bg) (intro.), 560.797 (4) (a), 560.798 (2) (a), 560.798 (3)  
10 (a), 560.7995 (2) (a) (intro.), 560.84 (2) (c) 2., 560.96 (2) (a) and 560.96 (3) (a)  
11 (intro.); *to repeal and recreate* subchapter VI (title) of chapter 560 [precedes  
12 s. 560.70]; and *to create* 13.94 (1) (ms), 71.07 (2dy), 71.10 (4) (gv), 71.28 (1dy),  
13 71.30 (3) (ema), 71.47 (1dy), 71.49 (1) (ema), 76.637, 560.01 (2) (am), 560.70 (2g),  
14 560.70 (2m) (b), 560.70 (4m), 560.70 (7) (d), 560.701, 560.702, 560.703, 560.704,

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1           560.705, 560.706, 560.71 (4), 560.737 (4), 560.74 (6), 560.78 (1m), 560.78 (3) (c),  
2           560.797 (2) (e), 560.797 (3) (c), 560.797 (4) (h), 560.798 (2) (c), 560.798 (3) (c),  
3           560.7995 (2) (d), 560.7995 (4) (am), 560.7995 (4) (b) 2., 560.96 (2) (c) and 560.96  
4           (3) (e) of the statutes; **relating to:** changes to economic development tax benefit  
5           programs, providing an exemption from emergency rule procedures, and  
6           requiring the exercise of rule-making authority.

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*Analysis by the Legislative Reference Bureau*

***Consolidation of economic development zone programs***

Under current law, the Department of Commerce (Commerce) may designate a portion of the state as a development zone, a development opportunity zone, an enterprise development zone, an agricultural development zone, an enterprise zone, an airport development zone, or a technology zone. Commerce may also certify persons who agree to undertake certain eligible activities in one of the designated zones. Eligible activities include job creation, environmental remediation, and capital investment. Persons who obtain certification are then eligible for tax benefits.

This bill consolidates the development zones, enterprise development zones, agricultural development zones, technology zones, and airport development zones (five development zone programs) into a program that awards tax benefits to persons who enter into a contract with Commerce to undertake eligible activities anywhere in the state. Eligible activities under the bill include all of the following:

1. Job creation projects that result in the creation and maintenance of jobs paying wages and providing benefits at a level approved by Commerce.
2. Projects that involve a significant investment of capital, as determined by Commerce by rule, by the person in new equipment, machinery, real property, or depreciable personal property.
3. Projects that involve significant investments in the training or reeducation of employees for the purpose of improving the productivity or competitiveness of the business of the person.
4. Projects that will result in the location or retention of a person's corporate headquarters in Wisconsin or that will result in the retention of employees if the person's corporate headquarters are located in Wisconsin.

Commerce may allocate tax benefits under the consolidated program up to the total amount remaining to be allocated under the five development zone programs on the effective date of this bill. Tax benefits are awarded under the bill only after the person has verified to Commerce that the person has met the performance obligations established under the contract.

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The value of tax benefits for which a person is eligible under the new tax credit program depends on the number of jobs created by the person, the amount of the capital investment made by the person, the amount of training or reeducation provided to the employees of a person, or the number of jobs retained by the person having its corporate headquarters located in Wisconsin.

Under the bill, Commerce may award additional tax benefits to a person that conducts eligible activities in an economically distressed area or if the eligible activities benefit members of a target group. The department is required by the bill to define "economically distressed area." The bill defines "member of a target group" as a person who resides in an area designated by the federal government as an economic revitalization area, a person who is employed in an unsubsidized job but meets certain eligibility requirements for a Wisconsin Works employment position, a person who is employed in a trial job or in a real work real pay project position, a person who is eligible for child care assistance, a person who is a vocational rehabilitation referral, an economically disadvantaged youth, an economically disadvantaged veteran, a supplemental security income recipient, a general assistance recipient, an economically disadvantaged ex-convict, a dislocated worker, as defined under federal law, or a food stamp recipient, if the person has been certified by a designated local agency.

***Changes to reporting requirements***

Under current law, Commerce must submit a biennial report to the legislature on the performance and operations of Commerce in the preceding biennium.

The bill requires Commerce to annually submit a comprehensive report assessing economic development programs administered by Commerce to the Joint Legislative Audit Committee and to the appropriate standing committees of the assembly and the senate. The comprehensive annual report must include information about the number of grants and loans made by Commerce in each year; the amount of each grant and loan; the name of the recipient of each grant and loan; and the sum total of all grants and loans received by each recipient. Commerce must make the reported information available to the public via the Internet.

***Audit by the Legislative Audit Bureau***

The bill requires the Legislative Audit Bureau to prepare a financial and program evaluation audit of the consolidated economic development tax benefit program created by the bill no later than July 1, 2012.

For further information see the ***state and local*** fiscal estimate, which will be printed as an appendix to this bill.

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

1           **SECTION 1.** 13.94 (1) (ms) of the statutes is created to read:

**BILL****SECTION 1**

1           13.94 (1) (ms) No later than July 1, 2012, prepare a financial and performance  
2 evaluation audit of the economic development tax benefit program under ss. 560.701  
3 to 560.706. The legislative audit bureau shall file a copy of the report of the audit  
4 under this paragraph with the distributees specified in par. (b).

5           **SECTION 2.** 13.94 (4) (a) 1. of the statutes is amended to read:

6           13.94 (4) (a) 1. Every state department, board, examining board, affiliated  
7 credentialing board, commission, independent agency, council or office in the  
8 executive branch of state government; all bodies created by the legislature in the  
9 legislative or judicial branch of state government; any public body corporate and  
10 politic created by the legislature including specifically the Fox River Navigational  
11 System Authority and the Wisconsin Aerospace Authority, a professional baseball  
12 park district, a local professional football stadium district, a local cultural arts  
13 district and a family care district under s. 46.2895; every Wisconsin works agency  
14 under subch. III of ch. 49; every provider of medical assistance under subch. IV of ch.  
15 49; technical college district boards; ~~development zones designated under s. 560.71;~~  
16 every county department under s. 51.42 or 51.437; every nonprofit corporation or  
17 cooperative or unincorporated cooperative association to which moneys are  
18 specifically appropriated by state law; and every corporation, institution, association  
19 or other organization which receives more than 50% of its annual budget from  
20 appropriations made by state law, including subgrantee or subcontractor recipients  
21 of such funds.

22           **SECTION 3.** 49.149 (4) of the statutes is repealed.

23           **SECTION 4.** 71.05 (6) (a) 15. of the statutes, as affected by 2007 Wisconsin Act  
24 20, is amended to read:

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1           71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),  
2           (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3s), (3t), (3w),  
3           (5e), (5f), (5h), (5i), (5j), and (5k) and not passed through by a partnership, limited  
4           liability company, or tax-option corporation that has added that amount to the  
5           partnership's, company's, or tax-option corporation's income under s. 71.21 (4) or  
6           71.34 (1) (g).

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

8           71.07 (2dy) INCENTIVES FOR BUSINESS <sup>ECONOMIC</sup> DEVELOPMENT IN WISCONSIN <sup>TAX</sup> CREDIT. (a)

9           *Definition.* In this subsection, "claimant" means a person who files a claim under this  
10           subsection and is certified under s. 560.701 (2) and authorized to claim tax benefits  
11           under s. 560.703.

12           (b) *Filing claims.* Subject to the limitations under this subsection and ss.  
13           560.701 to 560.706, for taxable years beginning after December 31, 2007, a claimant  
14           may claim as a credit against the tax imposed under s. 71.02, up to the amount of the  
15           tax, the amount authorized for the claimant under s. 560.703.

16           (c) *Limitations.* 1. No credit may be allowed under this subsection unless the  
17           claimant includes with the claimant's return a copy of the claimant's certification  
18           under s. 560.701 (2) and a copy of the claimant's notice of eligibility to receive tax  
19           benefits under s. 560.703 (3).

20           2. Partnerships, limited liability companies, and tax-option corporations may  
21           not claim the credit under this subsection, but the eligibility for, and the amount of,  
22           the credit are based on their authorization to claim tax benefits under s. 560.703.  
23           A partnership, limited liability company, or tax-option corporation shall compute  
24           the amount of credit that each of its partners, members, or shareholders may claim  
25           and shall provide that information to each of them. Partners, members of limited

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1 liability companies, and shareholders of tax-option corporations may claim the  
2 credit in proportion to their ownership interests.

3 (d) *Administration.* 1. Except as provided in subd. 2., section 71.28 (4) (e) and  
4 (f), as it applies to the credit under s. 71.28 (4), applies to the credit under this  
5 subsection.

6 2. If a claimant's certification is revoked under s. 560.705, or if a claimant  
7 becomes ineligible for tax benefits under s. 560.702, the claimant may not claim  
8 credits under this subsection for the taxable year that includes the day on which the  
9 certification is revoked; the taxable year that includes the day on which the claimant  
10 becomes ineligible for tax benefits; or succeeding taxable years and the claimant may  
11 not carry over unused credits from previous years to offset the tax imposed under s.  
12 71.02 for the taxable year that includes the day on which certification is revoked; the  
13 taxable year that includes the day on which the claimant becomes ineligible for tax  
14 benefits; or succeeding taxable years.

15 3. Section 71.28 (4) (g) and (h), as it applies to the credit under s. 71.28 (4),  
16 applies to the credit under this subsection.

17 **SECTION 6.** 71.08 (1) (intro.) of the statutes, as affected by 2007 Wisconsin Act  
18 20, is amended to read:

19 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married  
20 couple filing jointly, trust, or estate under s. 71.02, not considering the credits under  
21 ss. 71.07 (1), (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2dy), (2fd), (3m), (3n),  
22 (3p), (3s), (3t), (3w), (5b), (5d), (5e), (6), (6e), and (9e), 71.28 (1dd), (1de), (1di), (1dj),  
23 (1dL), (1ds), (1dx), (1dy), (1fd), (2m), (3), (3n), (3t), and (3w), and 71.47 (1dd), (1de),  
24 (1di), (1dj), (1dL), (1ds), (1dx), (1dy), (1fd), (2m), (3), (3n), (3t), and (3w), and subchs.  
25 VIII and IX and payments to other states under s. 71.07 (7), is less than the tax under

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1 this section, there is imposed on that natural person, married couple filing jointly,  
2 trust or estate, instead of the tax under s. 71.02, an alternative minimum tax  
3 computed as follows:

4 **SECTION 7.** 71.10 (4) (gv) of the statutes is created to read:

5 71.10 (4) (gv) <sup>Economic</sup> ~~Incentives for business~~ development <sup>tax</sup> ~~in Wisconsin~~ credit under  
6 s. 71.07 (2dy).

7 **SECTION 8.** 71.21 (4) of the statutes, as affected by 2007 Wisconsin Act 20, is  
8 amended to read:

9 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),  
10 (2dj), (2dL), (2dm), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3s), (3t), (3w), (5e), (5f),  
11 (5g), (5h), (5i), (5j), and (5k) and passed through to partners shall be added to the  
12 partnership's income.

13 **SECTION 9.** 71.26 (2) (a) of the statutes, as affected by 2007 Wisconsin Act 20,  
14 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), (1dy), (3g), (3h), (3n), (3p), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), and  
23 (5k) and not passed through by a partnership, limited liability company, or  
24 tax-option corporation that has added that amount to the partnership's, limited  
25 liability company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1)

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

8 SECTION 10. 71.28 (1dy) of the statutes is created to read:

9 71.28 (1dy) ~~INCENTIVES FOR BUSINESS~~ <sup>ECONOMIC</sup> DEVELOPMENT ~~IN WISCONSIN~~ <sup>TAX</sup> CREDIT. (a)

10 *Definition.* In this subsection, "claimant" means a person who files a claim under this  
 11 subsection and is certified under s. 560.701 (2) and authorized to claim tax benefits  
 12 under s. 560.703.

13 (b) *Filing claims.* Subject to the limitations under this subsection and ss.  
 14 560.701 to 560.706, for taxable years beginning after December 31, 2007, a claimant  
 15 may claim as a credit against the tax imposed under s. 71.23, up to the amount of the  
 16 tax, the amount authorized for the claimant under s. 560.703.

17 (c) *Limitations.* 1. No credit may be allowed under this subsection unless the  
 18 claimant includes with the claimant's return a copy of the claimant's certification  
 19 under s. 560.701 (2) and a copy of the claimant's notice of eligibility to receive tax  
 20 benefits under s. 560.703 (3).

21 2. Partnerships, limited liability companies, and tax-option corporations may  
 22 not claim the credit under this subsection, but the eligibility for, and the amount of,  
 23 the credit are based on their authorization to claim tax benefits under s. 560.703.  
 24 A partnership, limited liability company, or tax-option corporation shall compute  
 25 the amount of credit that each of its partners, members, or shareholders may claim



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1 and shall provide that information to each of them. Partners, members of limited  
2 liability companies, and shareholders of tax-option corporations may claim the  
3 credit in proportion to their ownership interests.

4 (d) *Administration.* 1. Except as provided in subd. 2., sub. (4) (e) and (f), as it  
5 applies to the credit under sub. (4), applies to the credit under this subsection.

6 2. If a claimant's certification is revoked under s. 560.705, or if a claimant  
7 becomes ineligible for tax benefits under s. 560.702, the claimant may not claim  
8 credits under this subsection for the taxable year that includes the day on which the  
9 certification is revoked; the taxable year that includes the day on which the claimant  
10 becomes ineligible for tax benefits; or succeeding taxable years and the claimant may  
11 not carry over unused credits from previous years to offset the tax imposed under s.  
12 71.23 for the taxable year that includes the day on which certification is revoked; the  
13 taxable year that includes the day on which the claimant becomes ineligible for tax  
14 benefits; or succeeding taxable years.

15 3. Subsection (4) (g) and (h), as it applies to the credit under sub. (4), applies  
16 to the credit under this subsection.

17 **SECTION 11.** 71.30 (3) (em) of the statutes is renumbered 71.30 (3) (eh).

18 **SECTION 12.** 71.30 (3) (ema) of the statutes is created to read:

19 71.30 (3) (ema) <sup>Economic</sup> Incentives for business development <sup>tax</sup> in Wisconsin credit under  
20 s. 71.28 (1dy).

21 **SECTION 13.** 71.30 (3) (emb) of the statutes is renumbered 71.30 (3) (ei).

22 **SECTION 14.** 71.30 (3) (en) of the statutes is renumbered 71.30 (3) (ej).

23 **SECTION 15.** 71.30 (3) (eo) of the statutes is renumbered 71.30 (3) (ek).

24 **SECTION 16.** 71.30 (3) (eom) of the statutes is renumbered 71.30 (3) (eL).

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1 SECTION 17. 71.34 (1) (g) of the statutes, as affected by 2007 Wisconsin Act 20,  
2 is amended to read:

3 71.34 (1) (g) An addition shall be made for credits computed by a tax-option  
4 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy),  
5 (3), (3g), (3h), (3n), (3p), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), and (5k) and passed  
6 through to shareholders.

7 SECTION 18. 71.45 (2) (a) 10. of the statutes is amended to read:

8 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit  
9 computed under s. 71.47 (1dd) to ~~(1dx)~~ (1dy), (3h), (3n), (3p), (3w), (5e), (5f), (5g), (5h),  
10 (5i), (5j), and (5k) and not passed through by a partnership, limited liability company,  
11 or tax-option corporation that has added that amount to the partnership's, limited  
12 liability company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1)  
13 (g) and the amount of credit computed under s. 71.47 (1), (3), (3t), (4), and (5).

14 SECTION 19. 71.47 (1dy) of the statutes is created to read:

15 71.47 (1dy) <sup>ECONOMIC</sup> INCENTIVES FOR BUSINESS DEVELOPMENT <sup>TAX</sup> (IN WISCONSIN) CREDIT. (a)

16 *Definition.* In this subsection, "claimant" means a person who files a claim under this  
17 subsection and is certified under s. 560.701 (2) and authorized to claim tax benefits  
18 under s. 560.703.

19 (b) *Filing claims.* Subject to the limitations under this subsection and ss.  
20 560.701 to 560.706, for taxable years beginning after December 31, 2007, a claimant  
21 may claim as a credit against the tax imposed under s. 71.43, up to the amount of the  
22 tax, the amount authorized for the claimant under s. 560.703.

23 (c) *Limitations.* 1. No credit may be allowed under this subsection unless the  
24 claimant includes with the claimant's return a copy of the claimant's certification

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1 under s. 560.701 (2) and a copy of the claimant's notice of eligibility to receive tax  
2 benefits under s. 560.703 (3).

3 2. Partnerships, limited liability companies, and tax-option corporations may  
4 not claim the credit under this subsection, but the eligibility for, and the amount of,  
5 the credit are based on their authorization to claim tax benefits under s. 560.703.  
6 A partnership, limited liability company, or tax-option corporation shall compute  
7 the amount of credit that each of its partners, members, or shareholders may claim  
8 and shall provide that information to each of them. Partners, members of limited  
9 liability companies, and shareholders of tax-option corporations may claim the  
10 credit in proportion to their ownership interests.

11 (d) *Administration.* 1. Except as provided in subd. 2., section 71.28 (4) (e) and  
12 (f), as it applies to the credit under s. 71.28 (4), applies to the credit under this  
13 subsection.

14 2. If a claimant's certification is revoked under s. 560.705, or if a claimant  
15 becomes ineligible for tax benefits under s. 560.702, the claimant may not claim  
16 credits under this subsection for the taxable year that includes the day on which the  
17 certification is revoked; the taxable year that includes the day on which the claimant  
18 becomes ineligible for tax benefits; or succeeding taxable years and the claimant may  
19 not carry over unused credits from previous years to offset the tax imposed under s.  
20 71.43 for the taxable year that includes the day on which certification is revoked; the  
21 taxable year that includes the day on which the claimant becomes ineligible for tax  
22 benefits; or succeeding taxable years.

23 3. Section 71.28 (4) (g) and (h), as it applies to the credit under s. 71.28 (4),  
24 applies to the credit under this subsection.

25 **SECTION 20.** 71.49 (1) (em) of the statutes is renumbered 71.49 (1) (eh).

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1 SECTION 21. 71.49 (1) (ema) of the statutes is created to read:

2 71.49 (1) (ema) <sup>g Economic</sup> Incentives for business development <sup>g tax</sup> in Wisconsin credit under  
3 s. 71.47 (1dy).

4 SECTION 22. 71.49 (1) (emb) of the statutes is renumbered 71.49 (1) (ei).

5 SECTION 23. 71.49 (1) (en) of the statutes is renumbered 71.49 (1) (ej).

6 SECTION 24. 71.49 (1) (eo) of the statutes is renumbered 71.49 (1) (ek).

7 SECTION 25. 71.49 (1) (eom) of the statutes is renumbered 71.49 (1) (eL).

8 SECTION 26. 76.637 of the statutes is created to read:

9 76.637 <sup>g Economic</sup> Incentives for business development <sup>g tax</sup> in Wisconsin credit. (1)

10 DEFINITION. In this section, "claimant" means an insurer who files a claim under this  
11 section and is certified under s. 560.701 (2) and authorized to claim tax benefits  
12 under s. 560.703.

13 (2) FILING CLAIMS. Subject to the limitations under this section and ss. 560.701  
14 to 560.706, for taxable years beginning after December 31, 2007, a claimant may  
15 claim as a credit against the fees due under s. 76.60, 76.63, 76.65, 76.66, or 76.67 the  
16 amount authorized for the claimant under s. 560.703.

17 (3) LIMITATIONS. No credit may be allowed under this section unless the insurer  
18 includes with the insurer's annual return under s. 76.64 a copy of the claimant's  
19 certification under s. 560.701 (2) and a copy of the claimant's notice of eligibility to  
20 receive tax benefits under s. 560.703 (3).

21 (4) ADMINISTRATION. If an insurer's certification is revoked under s. 560.705,  
22 or if an insurer becomes ineligible for tax benefits under s. 560.702, the insurer may  
23 not claim credits under this section for the taxable year that includes the day on  
24 which the certification is revoked; the taxable year that includes the day on which  
25 the insurer becomes ineligible for tax benefits; or succeeding taxable years and the

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1 insurer may not carry over unused credits from previous years to offset the fees  
2 imposed under ss. 76.60, 76.63, 76.65, 76.66, or 76.67 for the taxable year that  
3 includes the day on which certification is revoked; the taxable year that includes the  
4 day on which the insurer becomes ineligible for tax benefits; or succeeding taxable  
5 years.

6 **SECTION 27.** 76.67 (2) of the statutes is amended to read:

7 76.67 (2) If any domestic insurer is licensed to transact insurance business in  
8 another state, this state may not require similar insurers domiciled in that other  
9 state to pay taxes greater in the aggregate than the aggregate amount of taxes that  
10 a domestic insurer is required to pay to that other state for the same year less the  
11 credits under ss. 76.635, 76.636, and 76.655, except that the amount imposed shall  
12 not be less than the total of the amounts due under ss. 76.65 (2) and 601.93 and, if  
13 the insurer is subject to s. 76.60, 0.375% of its gross premiums, as calculated under  
14 s. 76.62, less offsets allowed under s. 646.51 (7) or under ss. 76.635, 76.636, 76.637,  
15 and 76.655 against that total, and except that the amount imposed shall not be less  
16 than the amount due under s. 601.93.

17 **SECTION 28.** 77.92 (4) of the statutes, as affected by 2007 Wisconsin Act 20, is  
18 amended to read:

19 77.92 (4) "Net business income," with respect to a partnership, means taxable  
20 income as calculated under section 703 of the Internal Revenue Code; plus the items  
21 of income and gain under section 702 of the Internal Revenue Code, including taxable  
22 state and municipal bond interest and excluding nontaxable interest income or  
23 dividend income from federal government obligations; minus the items of loss and  
24 deduction under section 702 of the Internal Revenue Code, except items that are not  
25 deductible under s. 71.21; plus guaranteed payments to partners under section 707

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1 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),  
2 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3s), (3n), (3p), (3t), (3w);  
3 (5e), (5f), (5g), (5h), (5i), (5j), and (5k); and plus or minus, as appropriate, transitional  
4 adjustments, depreciation differences, and basis differences under s. 71.05 (13), (15),  
5 (16), (17), and (19); but excluding income, gain, loss, and deductions from farming.  
6 “Net business income,” with respect to a natural person, estate, or trust, means profit  
7 from a trade or business for federal income tax purposes and includes net income  
8 derived as an employee as defined in section 3121 (d) (3) of the Internal Revenue  
9 Code.

10 **SECTION 29.** 234.03 (2m) of the statutes is amended to read:

11 234.03 (2m) To issue notes and bonds in accordance with ss. 234.08, 234.40,  
12 234.50, 234.60, 234.61, 234.626, ~~234.63~~, 234.65, and 234.66.

13 **SECTION 30.** 234.03 (11) of the statutes is amended to read:

14 234.03 (11) To collect fees and charges on mortgage loans and economic  
15 development loans and airport development loans under s. 234.63 (3), 2007 stats.,  
16 for the purpose of paying all or a portion of authority costs as the authority  
17 determines are reasonable and as approved by the authority.

18 **SECTION 31.** 234.08 (1) of the statutes is amended to read:

19 234.08 (1) The authority may issue its negotiable notes and bonds in such  
20 principal amount, as, in the opinion of the authority, is necessary to provide sufficient  
21 funds for achieving its corporate purposes, including the purchase of certain  
22 mortgages and securities and the making of secured loans for low- and  
23 moderate-income housing, for the rehabilitation of existing structures and for the  
24 construction of facilities appurtenant thereto as provided in this chapter; for the  
25 making of secured loans to assist eligible elderly homeowners in paying property

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1 taxes and special assessments; for the payment of interest on notes and bonds of the  
2 authority during construction; ~~for the awarding of airport development loans under~~  
3 ~~s. 234.63 (3)~~; for the establishment of reserves to secure such notes and bonds; for the  
4 provision of moneys for the housing development fund in order to make temporary  
5 loans to sponsors of housing projects as provided in this chapter; and for all other  
6 expenditures of the authority incident to and necessary or convenient to carry out its  
7 corporate purposes and powers.

8 **SECTION 32.** 234.265 (2) of the statutes is amended to read:

9 234.265 (2) Records or portions of records consisting of personal or financial  
10 information provided by a person seeking a grant or loan under s. 234.63, 2007 stats.,  
11 or s. 234.04, 234.08, 234.49, 234.59, 234.61, ~~234.63~~, 234.65, 234.67, 234.83, 234.84,  
12 234.90, 234.905, 234.907, or 234.91, seeking a loan under ss. 234.621 to 234.626,  
13 seeking financial assistance under s. 234.66, seeking investment of funds under s.  
14 234.03 (18m), or in which the authority has invested funds under s. 234.03 (18m),  
15 unless the person consents to disclosure of the information.

16 **SECTION 33.** 234.40 (4) of the statutes is amended to read:

17 234.40 (4) The limitations established in ss. 234.18, 234.50, 234.60, 234.61,  
18 ~~234.63~~, 234.65, and 234.66 are not applicable to bonds issued under the authority of  
19 this section. The authority may not have outstanding at any one time bonds for  
20 veterans housing loans in an aggregate principal amount exceeding \$61,945,000,  
21 excluding bonds being issued to refund outstanding bonds.

22 **SECTION 34.** 234.50 (4) of the statutes is amended to read:

23 234.50 (4) The limitations established in ss. 234.18, 234.40, 234.60, 234.61,  
24 ~~234.63~~, 234.65, and 234.66 are not applicable to bonds issued under the authority of  
25 this section. The authority may not have outstanding at any one time bonds for

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1 housing rehabilitation loans in an aggregate principal amount exceeding  
2 \$100,000,000, excluding bonds being issued to refund outstanding bonds. The  
3 authority shall consult with and coordinate the issuance of bonds with the building  
4 commission prior to the issuance of bonds.

5 **SECTION 35.** 234.60 (2) of the statutes is amended to read:

6 234.60 (2) The limitations in ss. 234.18, 234.40, 234.50, 234.61, ~~234.63~~, 234.65,  
7 and 234.66 do not apply to bonds or notes issued under this section.

8 **SECTION 36.** 234.61 (1) of the statutes is amended to read:

9 234.61 (1) Upon the authorization of the department of health and family  
10 services, the authority may issue bonds or notes and make loans for the financing of  
11 housing projects which are residential facilities as defined in s. 46.28 (1) (d) and the  
12 development costs of those housing projects, if the department of health and family  
13 services has approved the residential facilities for financing under s. 46.28 (2). The  
14 limitations in ss. 234.18, 234.40, 234.50, 234.60, ~~234.63~~, 234.65, and 234.66 do not  
15 apply to bonds or notes issued under this section. The definition of "nonprofit  
16 corporation" in s. 234.01 (9) does not apply to this section.

17 **SECTION 37.** 234.63 of the statutes is repealed.

18 **SECTION 38.** 234.66 (3) (b) of the statutes is amended to read:

19 234.66 (3) (b) The limits in ss. 234.18, 234.40, 234.50, 234.60, 234.61, ~~234.63~~,  
20 and 234.65 do not apply to bonds or notes issued under this section.

21 **SECTION 39.** 560.01 (2) (am) of the statutes is created to read:

22 560.01 (2) (am) *Economic development assistance reporting.* Annually, no later  
23 than October 1, the department shall submit to the joint legislative audit committee  
24 and to the appropriate standing committees of the legislature under s. 13.172 (3) a  
25 comprehensive report assessing economic development programs administered by



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1 the department. The department shall make readily accessible to the public on an  
2 Internet-based system the information required under this paragraph. The report  
3 shall include all of the following information for each program:

4 1. A description of the program.

5 2. Quantifiable performance measures directly related to the purpose of the  
6 program including, when applicable, all of the following information:

7 a. An accounting of the location, by municipality, of each job created or retained  
8 in the state in the previous fiscal year as a result of the program.

9 b. An accounting of the industry classification, by municipality, of each job  
10 created or retained in the state in the previous fiscal year as a result of the program.

11 3. A comparison of expected and actual program outcomes.

12 4. The number of grants made under the program in the previous fiscal year.

13 5. The number of loans made under the program in the previous fiscal year.

14 6. The amount of tax benefits allocated and verified under the program in the  
15 previous fiscal year.

16 7. The amount of each grant and loan made under the program in the previous  
17 fiscal year.

18 8. The recipient of each grant or loan made under the program in the previous  
19 fiscal year.

20 9. The recipients of tax benefits allocated and verified under the program in the  
21 previous fiscal year.

22 10. The sum total of all grants and loans awarded to and received by each  
23 recipient under the program in the previous fiscal year.

24 11. Any recommended changes to the program.

25 **SECTION 40.** 560.605 (2m) (g) of the statutes is repealed.

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1           **SECTION 41.** 560.605 (7) (b) 5. of the statutes is repealed.

2           **SECTION 42.** Subchapter VI (title) of chapter 560 [precedes s. 560.70] of the  
3 statutes is repealed and recreated to read:

4                                   **CHAPTER 560**

5                                   **SUBCHAPTER VI**

6                                   **TAX INCENTIVES FOR BUSINESS**

7                                   **DEVELOPMENT IN WISCONSIN**

8           **SECTION 43.** 560.70 (2g) of the statutes is created to read:

9           560.70 (2g) "Eligible activity" means an activity described under s. 560.702.

10          **SECTION 44.** 560.70 (2m) of the statutes is renumbered 560.70 (2m) (a) and  
11 amended to read:

12          560.70 (2m) (a) ~~Full~~ Except as provided in par. (b), "full-time job" means a  
13 regular, nonseasonal full-time position in which an individual, as a condition of  
14 employment, is required to work at least 2,080 hours per year, including paid leave  
15 and holidays, and for which the individual receives pay that is equal to at least 150%  
16 of the state minimum wage and benefits that are not required by federal or state law.  
17 "Full-time job" does not include initial training before an employment position  
18 begins.

19          **SECTION 45.** 560.70 (2m) (b) of the statutes is created to read:

20          560.70 (2m) (b) The department may by rule specify circumstances under  
21 which the department may grant exceptions to the requirement under par. (a) that  
22 a full-time job means a job in which an individual, as a condition of employment, is  
23 required to work at least 2,080 hours per year, but under no circumstances may a  
24 full-time job mean a job in which an individual, as a condition of employment, is  
25 required to work less than 37.5 hours per week.

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1           **SECTION 46.** 560.70 (4m) of the statutes is created to read:

2           560.70 (4m) "Member of a targeted group" means a person who resides in an  
3 area designated by the federal government as an economic revitalization area, a  
4 person who is employed in an unsubsidized job but meets the eligibility requirements  
5 under s. 49.145 (2) and (3) for a Wisconsin Works employment position, a person who  
6 is employed in a trial job, as defined in s. 49.141 (1) (n), or in a real work, real pay  
7 project position under s. 49.147 (3m), a person who is eligible for child care assistance  
8 under s. 49.155, a person who is a vocational rehabilitation referral, an economically  
9 disadvantaged youth, an economically disadvantaged veteran, a supplemental  
10 security income recipient, a general assistance recipient, an economically  
11 disadvantaged ex-convict, a dislocated worker, as defined in 29 USC 2801 (9), or a  
12 food stamp recipient, if the person has been certified in the manner under 26 USC  
13 51 (d) (13) (A) by a designated local agency, as defined in 26 USC 51 (d) (12).

14           **SECTION 47.** 560.70 (7) (a) of the statutes is amended to read:

15           560.70 (7) (a) Except as provided in pars. (b) and, (c), and (d), "tax benefits"  
16 means the development zones credit under ss. 71.07 (2dx), 71.28 (1dx), 71.47 (1dx),  
17 and 76.636.

18           **SECTION 48.** 560.70 (7) (d) of the statutes is created to read:

19           560.70 (7) (d) In ss. 560.701 to 560.706, "tax benefits" means the <sup>economic</sup> incentives for  
20 business development <sup>tax</sup> in Wisconsin credit under ss. 71.07 (2dy), 71.28 (1dy), 71.47  
21 (1dy), and 76.637.

22           **SECTION 49.** 560.701 of the statutes is created to read:

23           **560.701 Certification for tax benefits. (1) APPLICATION.** Any person may  
24 apply to the department on a form prepared by the department for certification under  
25 this section. The application shall include all of the following:

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1 (a) The name and address of the person.

2 (b) The federal tax identification number of the person.

3 (c) The names and addresses of the locations where the person conducts  
4 business and a description of the business activities conducted at those locations.

5 (d) A description of each eligible activity conducted or proposed to be conducted  
6 by the person.

7 (e) Other information required by the department or the department of  
8 revenue.

9 **(2) CERTIFICATION.** (a) The department may certify a person who submits an  
10 application under sub. (1) if, after conducting an investigation, the department  
11 determines that the person is conducting or intends to conduct at least one eligible  
12 activity.

13 (b) The department shall provide a person certified under this section and the  
14 department of revenue with a copy of the certification.

15 **(3) CONTRACT.** A person certified under this section shall enter into a written  
16 contract with the department. The contract shall include provisions that detail all  
17 of the following:

18 (a) A description of each eligible activity being conducted or proposed to be  
19 conducted by the person.

20 (b) Whether any of the eligible activities will occur in an economically  
21 distressed area, as designated by the department under s. 560.704 (1).

22 (c) Whether any of the eligible activities will benefit members of a targeted  
23 group, as determined by the department under s. 560.704.

**BILL**

1 (d) A compliance schedule that includes a sequence of anticipated actions to be  
2 taken or benchmarks to be reached by the person before the person may receive tax  
3 benefits under s. 560.703.

4 (e) The reporting requirements with which the person must comply.

5 (f) If feasible, a determination of the tax benefits the person will be authorized  
6 to claim under s. 560.703 (2) if the person fulfills the terms of the contract.

7 **SECTION 50.** 560.702 of the statutes is created to read:

8 **560.702 Eligible activities.** A person who conducts or proposes to conduct  
9 any of the following may be certified under s. 560.701 (2):

10 (1) **JOB CREATION PROJECT.** A project that creates and maintains for a period of  
11 time established by the department by rule full-time jobs in addition to any existing  
12 full-time jobs provided by the person.

13 (2) **CAPITAL INVESTMENT PROJECT.** A project that involves a significant  
14 investment of capital, as defined by the department by rule under s. 560.706 (2) (b),  
15 by the person in new equipment, machinery, real property, or depreciable personal  
16 property.

17 (3) **EMPLOYEE TRAINING PROJECT.** A project that involves significant investments  
18 in the training or reeducation of employees, as defined by the department by rule  
19 under s. 560.706 (2) (c), by the person for the purpose of improving the productivity  
20 or competitiveness of the business of the person.

21 (4) **PROJECT RELATED TO PERSONS WITH CORPORATE HEADQUARTERS IN WISCONSIN.**  
22 A project that will result in the location or retention of a person's corporate  
23 headquarters in Wisconsin or that will result in the retention of employees holding  
24 full-time jobs in Wisconsin if the person's corporate headquarters are located in  
25 Wisconsin.

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1 SECTION 51. 560.703 of the statutes is created to read:

2 **560.703 Limits on tax benefits and claiming tax benefits. (1) LIMITS. (a)**

3 Except as provided <sup>g in</sup> under par. (b), the total tax benefits available to be allocated by  
4 the department under ss. 560.701 to 560.706 may not exceed the sum of the tax  
5 benefits remaining to be allocated under ss. 560.71 to 560.785, 560.797, 560.798,  
6 560.7995, and 560.96 on the effective date of this paragraph .... [revisor inserts date].

7 (b) The department may submit to the joint committee on finance a request in  
8 writing to exceed the total tax benefits <sup>specified in</sup> under par. (a). The department shall submit  
9 with its request a justification for seeking an increase under this <sup>g paragraph</sup> subsection. The  
10 joint committee on finance, following its review, may approve or disapprove an  
11 increase in the total tax benefits available to be allocated under ss. 560.701 to  
12 560.706.

13 (2) AUTHORITY TO CLAIM TAX BENEFITS. The department may authorize a person  
14 certified under s. 560.701 (2) to claim tax benefits only after the person has submitted  
15 a report to the department that documents to the satisfaction of the department that  
16 the person has complied with the terms of the contract under s. 560.701 (3) and the  
17 requirements of any applicable rules promulgated under s. 560.706 (2).

18 (3) NOTICE OF ELIGIBILITY. The department shall provide to the person and to  
19 the department of revenue a notice of eligibility to receive tax benefits that reports  
20 the amount of tax benefits for which the person is eligible.

21 SECTION 52. 560.704 of the statutes is created to read:

22 **560.704 Eligible activities in economically distressed areas and**  
23 **benefiting members of targeted groups.** The department may authorize a  
24 person certified under s. 560.701 (2) to claim additional tax benefits under s. 560.703

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1 if, after conducting an investigation, the department determines any of the  
2 following:

3 (1) The person conducts at least one eligible activity in an area designated by  
4 the department as economically distressed. In designating an area as economically  
5 distressed under this subsection, the department shall follow the methodology  
6 established by rule under s. 560.706 (2) (e).

7 (2) The person conducts at least one eligible activity that benefits, creates,  
8 retains, or significantly upgrades full-time jobs for, that trains, or that reeducates,  
9 members of a targeted group.

10 **SECTION 53.** 560.705 of the statutes is created to read:

11 **560.705 Revocation of certification.** The department shall revoke the  
12 certification of a person who does any of the following:

13 (1) Supplies false or misleading information to obtain certification under s.  
14 560.701 (2).

15 (2) Supplies false or misleading information to obtain tax benefits under s.  
16 560.703.

17 (3) Leaves the state to conduct substantially the same business outside of the  
18 state.

19 (4) Ceases operations in the state and does not renew operation of the business  
20 or a similar business within 12 months.

21 **SECTION 54.** 560.706 of the statutes is created to read:

22 **560.706 Responsibilities of the department.** The department shall do all  
23 of the following:

24 (1) **ACCOUNTABILITY.** (a) Annually verify information submitted to the  
25 department of revenue under ss. 71.07 (2dy), 71.28 (1dy), 71.47 (1dy), and 76.637 by

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1 persons certified under s. 560.701 (2) and eligible to receive tax benefits under s.  
2 560.703.

3 (b) Notify and obtain written approval from the secretary for any certification  
4 under sub. (2) (h).

5 **(2) RULES.** Establish by rule all of the following:

6 (a) A schedule of hourly wage ranges to be paid, and health insurance benefits  
7 to be provided, to an employee by a person certified under s. 560.701 (2) and the  
8 corresponding per employee tax benefit for which a person certified under s. 560.701  
9 (2) may be eligible.

10 (b) A definition of "significant investment of capital" for purposes of s. 560.702  
11 (2), together with a corresponding schedule of tax benefits for which a person who is  
12 certified under s. 560.701 (2) and who conducts a project described in s. 560.702 (2)  
13 may be eligible. The department shall include in the definition required under this  
14 paragraph a schedule of investments that takes into consideration the size or nature  
15 of the business.

16 (c) A definition of "significant investments in the training or reeducation of  
17 employees" for purposes of s. 560.702 (3), together with a corresponding schedule of  
18 tax benefits for which a person who is certified under s. 560.701 (2) and who conducts  
19 a project under s. 560.702 (3) may be eligible.

20 (d) A schedule of tax benefits for which a person who is certified under s.  
21 560.701 (2) and who conducts a project that will result in the location or retention  
22 of a person's corporate headquarters in Wisconsin may be eligible.

23 (e) The methodology for designating an area as economically distressed under  
24 s. 560.704 (1). The methodology under this paragraph shall require the department



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1 to consider the most current data available for the area and for the state on the  
2 following indicators:

3 1. Unemployment rate.

4 2. Percentage of families with incomes below the poverty line established under  
5 42 USC 9902 (2).

6 3. Median family income.

7 4. Median per capita income.

8 5. Average annual wage.

9 6. Real property values.

10 7. Other significant or irregular indicators of economic distress, such as a  
11 natural disaster.

12 (f) A schedule of additional tax benefits for which a person who is certified  
13 under s. 560.701 (2) and who conducts an eligible activity described under s. 560.704  
14 may be eligible.

15 (g) Reporting requirements, minimum benchmarks, and outcomes expected of  
16 a person certified under s. 560.701 (2) before that person may receive tax benefits  
17 under s. 560.703.

18 (h) Policies and criteria for certifying a person who may be eligible for tax  
19 benefits greater than or equal to \$3,000,000.

20 (i) Procedures for implementing ss. 560.701 to 560.706.

21 **(3) REPORTING.** Annually, 6 months after the report has been submitted under  
22 s. 560.01 (2) (am), submit to the joint legislative audit committee and to the  
23 appropriate standing committees of the legislature under s. 13.172 (3) a  
24 comprehensive report assessing the program under ss. 560.701 to 560.706. The

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1 report under this subsection shall update the applicable information provided in the  
2 report under s. 560.01 (2) (am).

3 **SECTION 55.** 560.71 (4) of the statutes is created to read:

4 560.71 (4) No development zone may be designated under this section after the  
5 effective date of this subsection .... [revisor inserts date].

6 **SECTION 56.** 560.737 (4) of the statutes is created to read:

7 560.737 (4) No premises of a business incubator may be designated as part of  
8 a development zone under this section after the effective date of this subsection ....  
9 [revisor inserts date].

10 **SECTION 57.** 560.74 (1) of the statutes is amended to read:

11 560.74 (1) ~~At~~ Except as provided under sub. (6), at any time after a  
12 development zone is designated by the department, a local governing body may  
13 submit an application to change the boundaries of the development zone. If the  
14 boundary change reduces the size of a development zone, the local governing body  
15 shall explain why the area excluded should no longer be in a development zone. The  
16 department may require the local governing body to submit additional information.

17 **SECTION 58.** 560.74 (6) of the statutes is created to read:

18 560.74 (6) The department may not accept any applications under sub. (1) to  
19 change the boundaries of a development zone designated under s. 560.71 on or after  
20 the effective date of this subsection .... [revisor inserts date].

21 **SECTION 59.** 560.745 (1) (b) of the statutes is amended to read:

22 560.745 (1) (b) The local governing body may apply to the department for one  
23 60-month extension of the designation. The department shall promulgate rules  
24 establishing criteria for approving an extension of a designation of an area as a  
25 development zone under this subsection. No applications may be accepted by the

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1 department under this paragraph on or after the effective date of this paragraph ....  
2 [revisor inserts date].

3 **SECTION 60.** 560.745 (2) (am) of the statutes is amended to read:

4 560.745 (2) (am) Notwithstanding par. (a), the department may increase the  
5 established limit for tax benefits for a development zone. The department may not  
6 increase the limit for tax benefits established for any development zone designated  
7 under s. 560.71 on or after the effective date of this paragraph .... [revisor inserts  
8 date].

9 **SECTION 61.** 560.78 (1m) of the statutes is created to read:

10 560.78 (1m) No person may be certified under s. 560.765 (3) on or after the  
11 effective date of this subsection .... [revisor inserts date].

12 **SECTION 62.** 560.78 (3) (a) of the statutes is amended to read:

13 560.78 (3) (a) Except as provided in ~~par.~~ pars. (b) and (c), if the economic activity  
14 for which a person is seeking certification under s. 560.765 (3) is the relocation of a  
15 business into a development zone from a location that is outside the development  
16 zone but within the limits of a city, village, town or federally recognized American  
17 Indian reservation in which that development zone is located, the local governing  
18 body that nominated that area as a development zone under s. 560.72 shall  
19 determine whether sub. (2) (a) or (b) applies.

20 **SECTION 63.** 560.78 (3) (c) of the statutes is created to read:

21 560.78 (3) (c) No local governing body may make any determination under this  
22 subsection on or after the effective date of this paragraph .... [revisor inserts date].

23 **SECTION 64.** 560.797 (2) (a) (intro.) of the statutes is amended to read:

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1           560.797 (2) (a) (intro.) Subject to pars. (c) ~~and~~, (d), and (e), the department may  
2 designate an area as an enterprise development zone for a project if the department  
3 determines all of the following:

4           **SECTION 65.** 560.797 (2) (bg) (intro.) of the statutes is amended to read:

5           560.797 (2) (bg) (intro.) Notwithstanding par. (a) and subject to pars. (c) ~~and~~,  
6 (d), and (e), the department may designate an area as an enterprise development  
7 zone for a project if the department determines all of the following:

8           **SECTION 66.** 560.797 (2) (e) of the statutes is created to read:

9           560.797 (2) (e) The department may not designate any area as an enterprise  
10 development zone on or after the effective date of this paragraph .... [revisor inserts  
11 date].

12           **SECTION 67.** 560.797 (3) (c) of the statutes is created to read:

13           560.797 (3) (c) The department may not accept or approve any applications or  
14 project plans submitted under par. (a) on or after the effective date of this paragraph  
15 .... [revisor inserts date].

16           **SECTION 68.** 560.797 (4) (a) of the statutes is amended to read:

17           560.797 (4) (a) ~~If Except as provided in par. (h), if~~ the department approves a  
18 project plan under sub. (3) and designates the area in which the person submitting  
19 the project plan conducts or intends to conduct the project as an enterprise  
20 development zone under the criteria under sub. (2), the department shall certify the  
21 person as eligible for tax benefits.

22           **SECTION 69.** 560.797 (4) (h) of the statutes is created to read:

23           560.797 (4) (h) No person may be certified under this subsection on or after the  
24 effective date of this paragraph .... [revisor inserts date].

25           **SECTION 70.** 560.798 (2) (a) of the statutes is amended to read:

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1           560.798 (2) (a) ~~The Except as provided under par. (c), the~~ department may  
2 designate one area in the state as an agricultural development zone. The area must  
3 be located in a rural municipality. An agricultural business that is located in an  
4 agricultural development zone and that is certified by the department under sub. (3)  
5 is eligible for tax benefits as provided in sub. (3).

6           **SECTION 71.** 560.798 (2) (c) of the statutes is created to read:

7           560.798 (2) (c) No area may be designated as an agricultural development zone  
8 on or after the effective date of this paragraph .... [revisor inserts date].

9           **SECTION 72.** 560.798 (3) (a) of the statutes is amended to read:

10          560.798 (3) (a) ~~The Except as provided under par. (c), the~~ department may  
11 certify for tax benefits in an agricultural development zone a new or expanding  
12 agricultural business that is located in the agricultural development zone. In  
13 determining whether to certify a business under this subsection, the department  
14 shall consider, among other things, the number of jobs that will be created or retained  
15 by the business.

16          **SECTION 73.** 560.798 (3) (c) of the statutes is created to read:

17          560.798 (3) (c) No business may be certified under this subsection on or after  
18 the effective date of this paragraph .... [revisor inserts date].

19          **SECTION 74.** 560.7995 (2) (a) (intro.) of the statutes is amended to read:

20          560.7995 (2) (a) (intro.) Subject to ~~par.~~ pars. (c) and (d), the department may  
21 designate an area as an airport development zone if the department determines all  
22 of the following:

23          **SECTION 75.** 560.7995 (2) (d) of the statutes is created to read:

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1           560.7995 (2) (d) No area may be designated as an airport development zone  
2 under this subsection on or after the effective date of this paragraph .... [revisor  
3 inserts date].

4           **SECTION 76.** 560.7995 (4) (am) of the statutes is created to read:

5           560.7995 (4) (am) The department may not accept or approve any applications  
6 or business plans submitted under par. (a) on or after the effective date of this  
7 paragraph .... [revisor inserts date].

8           **SECTION 77.** 560.7995 (4) (b) of the statutes is renumbered 560.7995 (4) (b) 1.  
9 and amended to read:

10           560.7995 (4) (b) 1. If Except as provided in subd. 2., if the department approves  
11 a business plan under par. (a), the department shall certify the person as eligible for  
12 tax benefits. The department shall notify the department of revenue within 30 days  
13 of certifying a person under this paragraph.

14           **SECTION 78.** 560.7995 (4) (b) 2. of the statutes is created to read:

15           560.7995 (4) (b) 2. No person may be certified under this paragraph on or after  
16 the effective date of this subdivision .... [revisor inserts date].

17           **SECTION 79.** 560.84 (2) (c) 2. of the statutes is amended to read:

18           560.84 (2) (c) 2. ~~A development zone designated under s. 560.71, a development~~  
19 ~~opportunity zone designated under s. 560.795 or an enterprise development zone~~  
20 ~~designated under s. 560.797.~~

21           **SECTION 80.** 560.96 (2) (a) of the statutes is amended to read:

22           560.96 (2) (a) The Except as provided in par. (c), the department may designate  
23 up to 8 areas in the state as technology zones. A business that is located in a  
24 technology zone and that is certified by the department under sub. (3) is eligible for  
25 a tax credit as provided in sub. (3).

**BILL**

1           **SECTION 81.** 560.96 (2) (c) of the statutes is created to read:

2           560.96 (2) (c) No area may be designated as a technology zone under this  
3 subsection on or after the effective date of this paragraph .... [revisor inserts date].

4           **SECTION 82.** 560.96 (3) (a) (intro.) of the statutes is amended to read:

5           560.96 (3) (a) (intro.) The Except as provided in par. (e), the department may  
6 certify for tax credits in a technology zone a business that satisfies all of the following  
7 requirements:

8           **SECTION 83.** 560.96 (3) (e) of the statutes is created to read:

9           560.96 (3) (e) No person may be certified under this subsection on or after the  
10 effective date of this paragraph .... [revisor inserts date].

11           **SECTION 84. Nonstatutory provisions.**

12           (1) EMERGENCY RULES. The department of commerce may use the procedure  
13 under section 227.24 of the statutes to promulgate rules under section 560.706 (2)  
14 of the statutes, as created by this act. Notwithstanding section 227.24 (1) (c) and (2)  
15 of the statutes, emergency rules promulgated under this subsection remain in effect  
16 until July 1, 2009, or the date on which permanent rules take effect, whichever is  
17 sooner. Notwithstanding section 227.24 (1) (a) and (3) of the statutes, the  
18 department is not required to provide evidence that promulgating a rule under this  
19 subsection as an emergency rule is necessary for the preservation of the public peace,  
20 health, safety, or welfare and is not required to provide a finding of emergency for a  
21 rule promulgated under this subsection.

22           (2) Notwithstanding sections 227.137 (2) and 227.138 (2) of the statutes, if the  
23 secretary of administration requires the department of commerce to prepare an  
24 economic impact report for the rules required under section 560.706 (2) of the  
25 statutes, as created by this act, the department may submit the proposed rules to the

**BILL**

Insert 32-4

1 legislature for review under section 227.19 (2) of the statutes before the department  
2 completes the economic impact report and before the department receives a copy of  
3 the report and approval under section 227.138 (2) of the statutes.

4



(END)



**2007-2008 DRAFTING INSERT  
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LEGISLATIVE REFERENCE BUREAU**

LRB-3992/3ins  
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**INSERT 32-4**

3

**SECTION 1. Effective date.**

4

(1) This act takes effect on June 1, 2008, or on the day after publication,

5

whichever is later.

**Duerst, Christina**

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**From:** Wilson, Danielle  
**Sent:** Friday, February 08, 2008 9:30 AM  
**To:** LRB.Legal  
**Subject:** Draft Review: LRB 07-3992/3 Topic: Changes to economic development tax programs

Please Jacket LRB 07-3992/3 for the SENATE.