

2007 DRAFTING REQUEST

Bill

Received: **01/08/2007**

Received By: **jkreye**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Miner**

This file may be shown to any legislator: **NO**

Drafter: **jkreye**

May Contact:

Addl. Drafters:

Subject: **Tax, Business - credits**

Extra Copies:

Submit via email: **NO**

Pre Topic:

DOA:.....Miner, BB0309 -

Topic:

Bioindustry tax credits

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>
/?				_____			State
/1	jkreye 01/16/2007	kfollett 01/16/2007	pgreensl 01/17/2007	_____	sbasford 01/17/2007		State
/2	jkreye 01/30/2007	kfollett 01/30/2007	rschluet 01/30/2007	_____	mbarman 01/30/2007		State
/3	jkreye 02/05/2007	kfollett 02/05/2007	jfrantze 02/05/2007	_____	sbasford 02/05/2007		

FE Sent For:

<END>

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/1	jkreye 01/16/2007	kfollett 01/16/2007	pgreensl 01/17/2007	_____	sbasford 01/17/2007		State
/2	jkreye 01/30/2007	kfollett 01/30/2007	rschluet 01/30/2007	_____	mbarman 01/30/2007		

FE Sent For:

132/5 kjf
2/5
2/5
ENDS

2007 DRAFTING REQUEST

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Bioindustry tax credits

Instructions:

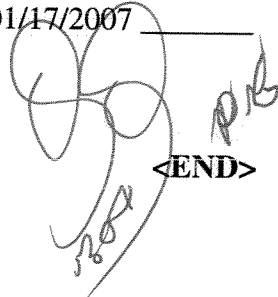
See Attached

Drafting History:

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/?				_____			State
/1	jkreye 01/16/2007	kfollett 01/16/2007	pgreensl 01/17/2007	_____	sbasford 01/17/2007		

FE Sent For:

12kif
1/30


<END>

2007 DRAFTING REQUEST

Bill

Received: 01/08/2007

Received By: jkreye

Wanted: As time permits

Identical to LRB:

For: Administration-Budget

By/Representing: Miner

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Addl. Drafters:

Subject: Tax, Business - credits

Extra Copies:

Submit via email: NO

Pre Topic:

DOA:.....Miner, BB0309 -

Topic:

Bioindustry tax credits

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>
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/?	jkreye						
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1/15 F/M
1/16 PR

47
PR/19/16

FE Sent For:

<END>

2007-09 Budget Bill Statutory Language Drafting Request

- Topic: Bioindustry Tax Credits
- Tracking Code: *RB0309*
- SBO team: Environmental and Commercial Resources
- SBO analyst: Andrew Miner *AM 01/05/07*
 - Phone: 266-1103
 - Email: Andrew.Miner@Wisconsin.gov
- Agency acronym: DATCP
- Agency number: 115
- Priority (Low, Medium, High): High

Create the following two tax credits related to promotion of Wisconsin's bioindustry. They are to take effect on January 1, 2008 and sunset on December 31, 2017. They are to be administered by the Department of Commerce but it is required to consult with DATCP. Commerce may award up to \$1 million for each credit annually.

1. Retail Fuel Station Tax Credit: Retail fuel stations are eligible for a 25% income tax credit equal to 25% of the cost of installing ethanol or biodiesel pumps or retrofitting existing pumps to dispense ethanol or biodiesel, up to a maximum of \$5,000 per pump. *per credit event*

*% of ethanol?
E85
B20 or higher grade*

2. Biofuel Fleet Investment Tax Credit: Businesses either corporately or individually owned are eligible for an income tax credit equal to 10% of their total biofuels purchases.

working out definition w/ Beely

Kreye, Joseph

From: Miner, Andrew - DOA

Sent: Tuesday, January 16, 2007 9:44 AM

To: Kreye, Joseph

Subject: bioindustry tax credit draft

Hi Joe,

There's been a change to this draft. We are not doing the second tax credit on the list, for 10% of a fleet's total renewable fuel purchases. Instead, the first credit should be drafted such that a fleet's fuel infrastructure would also be eligible (in other words, just "fuel station" instead of "retail fuel station"). Please let me know if you have questions.

Thanks,

Andrew



DOA:.....Miner, BB0309 - Bioindustry tax credits

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

m 1-16-07

DN

Don + Gen

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

Under this bill, a person may claim an income and franchise tax credit equal to 25 percent of the amount that the person paid in the taxable year to install or retrofit pumps located in this state that dispense motor vehicle fuel consisting of at least 85 percent ethanol or at least 20 percent biodiesel fuel.

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:

2 SECTION 1. 71.05 (6) (a) 15. of the statutes is amended to read:

3 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),
4 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3n), (3s), (3t), (3w), (5b), (5d), *and*

5 (5e), (5f), *and* (5h), *and* (5j) and not passed through by a partnership, limited liability

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).

~~NOTE: NOTE: Subd. 15. is shown as affected by 3 acts of the 2005 Wisconsin legislature and as merged by the revisor under s. 13.93 (2) (c). The bracketed "and" was inserted by 2005 Wis. Act 479, but rendered surplusage by 2005 Wis. Act 483. Corrective legislation is pending.~~NOTE:

History: 1987 a. 312; 1987 a. 411 ss. 42, 43, 45, 47 to 49, 51 to 53; 1989 a. 31, 46; 1991 a. 2, 37, 39, 269; 1993 a. 16, 112, 204, 263, 437; 1995 a. 27, 56, 209, 227, 261, 371, 403, 453; 1997 a. 27, 35, 39, 237; 1999 a. 9, 32, 44, 54, 65, 167; 2001 a. 16, 104, 105, 109; 2003 a. 85, 99, 119, 135, 183, 255, 289, 321, 326; 2005 a. 22, 25, 216, 254, 335, 361, 479, 483; s. 13.93 (2) (c).

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

4 71.07 (5j) ETHANOL AND BIODIESEL FUEL PUMP CREDIT. (a) *Definitions.* In this
5 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. "Motor vehicle fuel" has the meaning given in s. 78.005 (13).

9 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
10 taxable years beginning after December 31, 2007, and before January 1, 2018, a
11 claimant may claim as a credit against the taxes imposed under s. 71.02, up to the
12 amount of the taxes, an amount ^{that} (this is equal to 25 percent of the amount that the
13 claimant paid in the taxable year to install or retrofit pumps located in this state that
14 dispense motor vehicle fuel consisting of at least 85 percent ethanol or at least 20
15 percent biodiesel fuel.

16 (c) *Limitations.* 1. The maximum amount of the credit that a claimant may
17 claim under this subsection in a taxable year is an amount that is equal to \$5,000 per
18 installed or retrofitted pump that is used as the basis for the credit claimed under
19 par. (b).

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 payment of amounts under par. (b). A partnership,
23 limited liability company, or tax-option corporation shall compute the amount of

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

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

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

8 71.10 (4) (gc) Ethanol and biodiesel fuel pump credit under s. 71.07 (5j).

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

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

NOTE: NOTE: Sub. (4) is shown as affected by 4 acts of the 2005 Wisconsin legislature and as merged by the revisor under s. 13.93 (2) (c).NOTE:

History: 1987 a. 312, 411; 1989 a. 31; 1993 a. 112; 1995 a. 27, 400; 1997 a. 27; 2001 a. 16; 2003 a. 99, 135, 255, 326; 2005 a. 74, 361, 479, 483; s. 13.93 (2) (c).

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

14 71.26 (2) (a) *Corporations in general*. The "net income" of a corporation means
 15 the gross income as computed under the Internal Revenue Code as modified under
 16 sub. (3) minus the amount of recapture under s. 71.28 (1di) plus the amount of credit
 17 computed under s. 71.28 (1), (3), (4), and (5) minus, as provided under s. 71.28 (3) (c)
 18 7., the amount of the credit under s. 71.28 (3) that the taxpayer added to income
 19 under this paragraph at the time that the taxpayer first claimed the credit plus the
 20 amount of the credit computed under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm),
 21 (1ds), (1dx), (3g), (3n), (3t), (3w), (5b), (5e), (5f), (5g), and (5h), and (5j) and not passed
 22 through by a partnership, limited liability company, or tax-option corporation that
 23 has added that amount to the partnership's, limited liability company's, or
 24 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).

~~NOTE: NOTE: Par. (a) is shown as affected by 4 acts of the 2005 Wisconsin Legislature and as merged by the revisor under s. 13.93 (2) (c). NOTE:~~

History: 1987 a. 312; 1987 a. 411 ss. 22, 124 to 129; 1989 a. 31, 336; 1991 a. 37, 39, 221, 269; 1993 a. 16, 112, 246, 263, 399, 437, 491; 1995 a. 27, 56, 351, 371, 380, 428; 1997 a. 27, 37, 184, 237; 1999 a. 9, 65; 1999 a. 150 s. 672; 1999 a. 167, 194; 2001 a. 16, 38, 106, 109; 2003 a. 33, 85, 99, 135, 255, 326; 2005 a. 25, 74, 335, 361, 362, 479, 483; s. 13.93 (2) (c).

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

9 71.28 (5j) ETHANOL AND BIODIESEL FUEL PUMP CREDIT. (a) *Definitions.* In this
 10 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. "Motor vehicle fuel" has the meaning given in s. 78.005 (13).

14 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
 15 taxable years beginning after December 31, 2007, and before January 1, 2018, a
 16 claimant may claim as a credit against the taxes imposed under s. 71.23, up to the
 17 amount of the taxes, an amount ^{that} (this) is equal to 25 percent of the amount that the
 18 claimant paid in the taxable year to install or retrofit pumps located in this state that
 19 dispense motor vehicle fuel consisting of at least 85 percent ethanol or at least 20
 20 percent biodiesel fuel.

21 (c) *Limitations.* 1. The maximum amount of the credit that a claimant may
 22 claim under this subsection in a taxable year is an amount that is equal to \$5,000 per

1 installed or retrofitted pump that is used as the basis for the credit claimed under
2 par. (b).

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 payment of amounts under par. (b). A partnership,
6 limited liability company, or tax-option corporation shall compute the amount of
7 credit that each of its partners, members, or shareholders may claim and shall
8 provide that information to each of them. Partners, members of limited liability
9 companies, and shareholders of tax-option corporations may claim the credit in
10 proportion to their ownership interests.

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

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

14 71.30 (3) (ed) Ethanol and biodiesel fuel pump credit under s. 71.28 (5j).

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

16 71.34 (1) (g) An addition shall be made for credits computed by a tax-option
17 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (3), (3g),
18 (3n), (3t), (3w), (5b), (5e), (5f), (5g), and (5h), and (5j) and passed through to
19 shareholders.

~~NOTE: NOTE: Par. (g) is shown as affected by 4 acts of the 2005 Wisconsin legislature and as merged by the revisor under s. 13.93 (2) (c). NOTE:~~

History: 1987 a. 312; 1987 a. 411 ss. 18, 23, 146; 1989 a. 31, 336; 1991 a. 39, 269; 1993 a. 16, 437; 1995 a. 27, 380, 428; 1997 a. 27, 37, 237; 1999 a. 9, 194; 2001 a. 16,
109; 2003 a. 33, 99, 135, 255, 326; 2005 a. 25, 49, 74, 361, 479, 483; s. 13.93 (2) (c).

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

21 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
22 computed under s. 71.47 (1dd) to (1dx), (3n), (3w), (5b), (5e), (5f), (5g), and (5h), and
23 (5j) and not passed through by a partnership, limited liability company, or tax-option
24 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).

NOTE: NOTE: Subd. 10. is shown as affected by 4 acts of the 2005 Wisconsin legislature and as merged by the revisor under s. 13.93 (2) (c). NOTE:

History: 1987 a. 312; 1989 a. 31, 336, 359; 1991 a. 37, 39, 269; 1993 a. 16, 112, 263, 437; 1995 a. 27, 56, 371, 380; 1997 a. 27, 37, 237; 1999 a. 9, 65; 1999 a. 150 s. 672; 1999 a. 167, 194; 2001 a. 16, 38, 109; 2003 a. 37, 85, 99, 135, 255, 326; 2005 a. 74, 297, 385, 361, 479, 483; s. 13.93 (2) (c).

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

4 **71.47 (5j) ETHANOL AND BIODIESEL FUEL PUMP CREDIT.** (a) *Definitions.* In this
5 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. "Motor vehicle fuel" has the meaning given in s. 78.005 (13).

9 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
10 taxable years beginning after December 31, 2007, and before January 1, 2018, a
11 claimant may claim as a credit against the taxes imposed under s. 71.43, up to the
12 amount of the taxes, an amount ^{that} (this) is equal to 25 percent of the amount that the
13 claimant paid in the taxable year to install or retrofit pumps located in this state that
14 dispense motor vehicle fuel consisting of at least 85 percent ethanol or at least 20
15 percent biodiesel fuel.

16 (c) *Limitations.* 1. The maximum amount of the credit that a claimant may
17 claim under this subsection in a taxable year is an amount that is equal to \$5,000 per
18 installed or retrofitted pump that is used as the basis for the credit claimed under
19 par. (b).

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 payment of amounts under par. (b). A partnership,
23 limited liability company, or tax-option corporation shall compute the amount of
24 credit that each of its partners, members, or shareholders may claim and shall

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

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

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

7 71.49 (1) (ds) Ethanol and biodiesel fuel pump 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.

NOTE: NOTE: Sub. (4) is shown as affected by 4 acts of the 2005 Wisconsin legislature and as merged by the revisor under s. 13.93 (2) (c). NOTE:

History: 1989 a. 335; 1991 a. 39, 269; 1993 a. 16, 112, 490; 1995 a. 27, 209; 1997 a. 27; 1999 a. 9; 2001 a. 16; 2003 a. 99, 135, 255, 326; 2005 a. 74, 361, 479, 483; s. 13.93 (2) (c).

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1410/1dn

JK: *kjf*

Date

Andrew:

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

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

LRB-1410/1dn
JK:kjf:pg

January 16, 2007

Andrew:

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

LRB-1410/1

JK:kjf:pe

RWR

DOA:.....Miner, BB0309 - Bioindustry tax credits

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

m 1-30-07

Don + Gen D-N

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

Under this bill, a person may claim an income and franchise tax credit equal to 25 percent of the amount that the person paid in the taxable year to install or retrofit pumps located in this state that dispense motor vehicle fuel consisting of at least 85 percent ethanol or at least 20 percent biodiesel fuel.

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:

2 SECTION 1. 71.05 (6) (a) 15. of the statutes is amended to read:

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

(5i)

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) ETHANOL AND BIODIESEL FUEL PUMP CREDIT. (a) *Definitions*. In this
5 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. "Motor vehicle fuel" has the meaning given in s. 78.005 (13).

9 (b) *Filing claims*. Subject to the limitations provided in this subsection, for
10 taxable years beginning after December 31, 2007, and before January 1, 2018, a
11 claimant may claim as a credit against the taxes imposed under s. 71.02, up to the
12 amount of the taxes, an amount that is equal to 25 percent of the amount that the
13 claimant paid in the taxable year to install or retrofit pumps located in this state that
14 dispense motor vehicle fuel consisting of at least 85 percent ethanol or at least 20
15 percent biodiesel fuel.

16 (c) *Limitations*. 1. The maximum amount of the credit that a claimant may
17 claim under this subsection in a taxable year is an amount that is equal to \$5,000 per
18 installed or retrofitted pump that is used as the basis for the credit claimed under
19 par. (b).

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 payment of amounts under par. (b). A partnership,
23 limited liability company, or tax-option corporation shall compute the amount of
24 credit that each of its partners, members, or shareholders may claim and shall
25 provide that information to each of them. Partners, members of limited liability

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

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

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

6 71.10 (4) (gc) Ethanol and biodiesel fuel pump credit under s. 71.07 (5j).

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

INSERT
3-10

8 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
9 (2dj), (2dL), (2dm), (2ds), (2dx), (3g), (3n), (3s), (3t), (3w), ~~(5b)~~, (5e), (5f), (5g), and (5h),
10 and (5j) and passed through to partners shall be added to the partnership's income.

✓
(5j)

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

12 71.26 (2) (a) *Corporations in general.* The "net income" of a corporation means
13 the gross income as computed under the Internal Revenue Code as modified under
14 sub. (3) minus the amount of recapture under s. 71.28 (1di) plus the amount of credit
15 computed under s. 71.28 (1), (3), (4), and (5) minus, as provided under s. 71.28 (3) (c)
16 7., the amount of the credit under s. 71.28 (3) that the taxpayer added to income
17 under this paragraph at the time that the taxpayer first claimed the credit plus the
18 amount of the credit computed under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm),
19 (1ds), (1dx), (3g), (3n), (3t), (3w), ~~(5b)~~, (5e), (5f), (5g), and (5h), and (5j) and not passed
20 through by a partnership, limited liability company, or tax-option corporation that
21 has added that amount to the partnership's, limited liability company's, or
22 tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g) plus the amount
23 of losses from the sale or other disposition of assets the gain from which would be
24 wholly exempt income, as defined in sub. (3) (L), if the assets were sold or otherwise
25 disposed of at a gain and minus deductions, as computed under the Internal Revenue

INSERT 4-4

1 Code as modified under sub. (3), plus or minus, as appropriate, an amount equal to
2 the difference between the federal basis and Wisconsin basis of any asset sold,
3 exchanged, abandoned, or otherwise disposed of in a taxable transaction during the
4 taxable year, except as provided in par. (b) and s. 71.45 (2) and (5).

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

6 71.28 (5j) ETHANOL AND BIODIESEL FUEL PUMP CREDIT. (a) *Definitions.* In this
7 subsection:

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

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

10 3. "Motor vehicle fuel" has the meaning given in s. 78.005 (13).

11 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
12 taxable years beginning after December 31, 2007, and before January 1, 2018, a
13 claimant may claim as a credit against the taxes imposed under s. 71.23, up to the
14 amount of the taxes, an amount that is equal to 25 percent of the amount that the
15 claimant paid in the taxable year to install or retrofit pumps located in this state that
16 dispense motor vehicle fuel consisting of at least 85 percent ethanol or at least 20
17 percent biodiesel fuel.

18 (c) *Limitations.* 1. The maximum amount of the credit that a claimant may
19 claim under this subsection in a taxable year is an amount that is equal to \$5,000 per
20 installed or retrofitted pump that is used as the basis for the credit claimed under
21 par. (b).

22 2. Partnerships, limited liability companies, and tax-option corporations may
23 not claim the credit under this subsection, but the eligibility for, and the amount of,
24 the credit are based on their payment of amounts under par. (b). A partnership,
25 limited liability company, or tax-option corporation shall compute the amount of

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

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

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

8 71.30 (3) (ed) Ethanol and biodiesel fuel pump credit under s. 71.28 (5j).

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

10 71.34 (1) (g) An addition shall be made for credits computed by a tax-option
11 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (3), (3g),
12 (3n), (3t), (3w), ~~(5b)~~, (5e), (5f), (5g), and (5h), and (5j) and passed through to
13 shareholders. (5i)

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

15 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
16 computed under s. 71.47 (1dd) to (1dx), (3n), (3w), ~~(5b)~~, (5e), (5f), (5g), and (5h), and
17 (5j) and not passed through by a partnership, limited liability company, or tax-option
18 corporation that has added that amount to the partnership's, limited liability
19 company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g) and
20 the amount of credit computed under s. 71.47 (1), (3), (3t), (4), and (5).

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

22 71.47 (5j) ETHANOL AND BIODIESEL FUEL PUMP CREDIT. (a) *Definitions*. In this
23 subsection:

- 24 1. "Biodiesel fuel" has the meaning given in s. 168.14 (2m) (a).
25 2. "Claimant" means a person who files a claim under this subsection.

1 3. "Motor vehicle fuel" has the meaning given in s. 78.005 (13).

2 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
3 taxable years beginning after December 31, 2007, and before January 1, 2018, a
4 claimant may claim as a credit against the taxes imposed under s. 71.43, up to the
5 amount of the taxes, an amount that is equal to 25 percent of the amount that the
6 claimant paid in the taxable year to install or retrofit pumps located in this state that
7 dispense motor vehicle fuel consisting of at least 85 percent ethanol or at least 20
8 percent biodiesel fuel.

9 (c) *Limitations.* 1. The maximum amount of the credit that a claimant may
10 claim under this subsection in a taxable year is an amount that is equal to \$5,000 per
11 installed or retrofitted pump that is used as the basis for the credit claimed under
12 par. (b).

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

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

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

24 71.49 (1) (ds) Ethanol and biodiesel fuel pump credit under s. 71.47 (5j).

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

2007-2008 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1410/2ins
JK:kjf:pg

Insert 2 - 2

X
****NOTE: This is reconciled s. 71.05 (6) (a) 15. This SECTION has been affected by drafts with the following LRB numbers: 1410/1, 1502/1, and 0724/1. ~~ADCS~~

Insert 3 - 10

X
****NOTE: This is reconciled s. 71.21 (4). This SECTION has been affected by drafts with the following LRB numbers: 1410/1, 1502/1, and 0724/1. ~~NOTES~~

Insert 4 - 4

X
****NOTE: This is reconciled s. 71.26 (2) (a). This SECTION has been affected by drafts with the following LRB numbers: 1410/1, 1502/1, and 0724/1. ~~NOTES~~

Insert 5 - 13

X
****NOTE: This is reconciled s. 71.34 (1) (g). This SECTION has been affected by drafts with the following LRB numbers: 1410/1, 1502/1, and 0724/1. ~~NOTES~~

Insert 5 - 20

X
****NOTE: This is reconciled s. 71.45 (2) (a) 10. This SECTION has been affected by drafts with the following LRB numbers: 1410/1, 1502/1, and 0724/1. ~~NOTES~~

Insert 7 - 15

X
****NOTE: This is reconciled s. 77.92 (4). This SECTION has been affected by drafts with the following LRB numbers: 1410/1, 1502/1, and 0724/1. ~~NOTES~~

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

LRB-1410/2dn
JK:kj:pg

Date

X This draft reconciles LRB-0724/1, LRB-1410/1, and LRB-1502/1. All of these drafts should continue to appear in the compiled bill.

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DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1410/2dn
JK:kjf:rs

January 30, 2007

This draft reconciles LRB-0724/1, LRB-1410/1, and LRB-1502/1. All of these drafts should continue to appear in the compiled bill.

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

LRB-1410/2dn
JK:kjf/16

3

January 30, 2007

2
This draft reconciles LRB-0724/1, LRB-1410/1, and LRB-1502/1. All of these drafts should continue to appear in the compiled bill.

✓
and 1822/1
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State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-1410/2
JK:kjf

RMR

DOA:.....Miner, BB0309 - Bioindustry tax credits

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

in 2-5-07
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1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

Under this bill, a person may claim an income and franchise tax credit equal to 25 percent of the amount that the person paid in the taxable year to install or retrofit pumps located in this state that dispense motor vehicle fuel consisting of at least 85 percent ethanol or at least 20 percent biodiesel fuel.

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:

2 SECTION 1. 71.05 (6) (a) 15. of the statutes is amended to read:

3 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),

4 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3n), (3s), (3t), (3w), (5b), (5d), and

5 (5e), (5f), and (5h), (5i), and (5j) and not passed through by a partnership, limited

(3p)

1 liability company, or tax-option corporation that has added that amount to the
2 partnership's, company's, or tax-option corporation's income under s. 71.21 (4) or
3 71.34 (1) (g).

→ ****NOTE: This is reconciled s. 71.05 (6) (a) 15. This SECTION has been affected by
drafts with the following LRB numbers: 1410/1, 1502/1, and 0724/1.

2

1822/1,

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

5 **71.07 (5j) ETHANOL AND BIODIESEL FUEL PUMP CREDIT.** (a) *Definitions.* In this
6 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. "Motor vehicle fuel" has the meaning given in s. 78.005 (13).

10 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
11 taxable years beginning after December 31, 2007, and before January 1, 2018, a
12 claimant may claim as a credit against the taxes imposed under s. 71.02, up to the
13 amount of the taxes, an amount that is equal to 25 percent of the amount that the
14 claimant paid in the taxable year to install or retrofit pumps located in this state that
15 dispense motor vehicle fuel consisting of at least 85 percent ethanol or at least 20
16 percent biodiesel fuel.

17 (c) *Limitations.* 1. The maximum amount of the credit that a claimant may
18 claim under this subsection in a taxable year is an amount that is equal to \$5,000 per
19 installed or retrofitted pump that is used as the basis for the credit claimed under
20 par. (b).

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 payment of amounts under par. (b). A partnership,

1 limited liability company, or tax-option corporation shall compute the amount of
2 credit that each of its partners, members, or shareholders may claim and shall
3 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*. Section 71.28 (4) (e) to (h), as it applies to the credit under
7 s. 71.28 (4), applies to the credit under this subsection.

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

9 71.10 (4) (gc) Ethanol and biodiesel fuel pump 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 (5i), and (5j) and passed through to partners shall be added to the partnership's
14 income. (3p)

****NOTE: This is reconciled s. 71.21 (4). This SECTION has been affected by drafts
with the following LRB numbers: 1410/1, 1502/1, and 0724/1. 2 ← 1822/1

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

16 71.26 (2) (a) *Corporations in general*. The "net income" of a corporation means
17 the gross income as computed under the Internal Revenue Code as modified under
18 sub. (3) minus the amount of recapture under s. 71.28 (1di) plus the amount of credit
19 computed under s. 71.28 (1), (3), (4), and (5) minus, as provided under s. 71.28 (3) (c)
20 7., the amount of the credit under s. 71.28 (3) that the taxpayer added to income
21 under this paragraph at the time that the taxpayer first claimed the credit plus the
22 amount of the credit computed under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm),
23 (1ds), (1dx), (3g), (3n), (3t), (3w), (5b), (5e), (5f), (5g), and (5h), (5i), and (5j) and not

1 passed through by a partnership, limited liability company, or tax-option
2 corporation that has added that amount to the partnership's, limited liability
3 company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g) plus
4 the amount of losses from the sale or other disposition of assets the gain from which
5 would be wholly exempt income, as defined in sub. (3) (L), if the assets were sold or
6 otherwise disposed of at a gain and minus deductions, as computed under the
7 Internal Revenue Code as modified under sub. (3), plus or minus, as appropriate, an
8 amount equal to the difference between the federal basis and Wisconsin basis of any
9 asset sold, exchanged, abandoned, or otherwise disposed of in a taxable transaction
10 during the taxable year, except as provided in par. (b) and s. 71.45 (2) and (5).

***NOTE: This is reconciled s. 71.26 (2) (a). This SECTION has been affected by drafts
with the following LRB numbers: 1410/1, 1502/1, and 0724/1.

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

12 71.28 (5j) ETHANOL AND BIODIESEL FUEL PUMP CREDIT. (a) *Definitions.* In this
13 subsection:

- 14 1. "Biodiesel fuel" has the meaning given in s. 168.14 (2m) (a).
- 15 2. "Claimant" means a person who files a claim under this subsection.
- 16 3. "Motor vehicle fuel" has the meaning given in s. 78.005 (13).

17 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
18 taxable years beginning after December 31, 2007, and before January 1, 2018, a
19 claimant may claim as a credit against the taxes imposed under s. 71.23, up to the
20 amount of the taxes, an amount that is equal to 25 percent of the amount that the
21 claimant paid in the taxable year to install or retrofit pumps located in this state that
22 dispense motor vehicle fuel consisting of at least 85 percent ethanol or at least 20
23 percent biodiesel fuel.

1 (c) *Limitations.* 1. The maximum amount of the credit that a claimant may
 2 claim under this subsection in a taxable year is an amount that is equal to \$5,000 per
 3 installed or retrofitted pump that is used as the basis for the credit claimed under
 4 par. (b).

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

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

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

16 ✓ 71.30 (3) (ed) Ethanol and biodiesel fuel pump credit under s. 71.28 (5j).

17 (3p) **SECTION 8.** 71.34 (1) (g) of the statutes is amended to read:

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

→ *****NOTE: This is reconciled s. 71.34 (1) (g). This SECTION has been affected by drafts
 with the following LRB numbers: 1410/1, 1502/1, and 0724/1.

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

(3p)

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

→ ****NOTE: This is reconciled s. 71.45 (2) (a) 10. This SECTION has been affected by
 drafts with the following LRB numbers: 1410/1, 1502/1, and 0724/1.

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

8 71.47 (5j) ETHANOL AND BIODIESEL FUEL PUMP CREDIT. (a) *Definitions*. In this
 9 subsection:

- 10 1. "Biodiesel fuel" has the meaning given in s. 168.14 (2m) (a).
- 11 2. "Claimant" means a person who files a claim under this subsection.
- 12 3. "Motor vehicle fuel" has the meaning given in s. 78.005 (13).

13 (b) *Filing claims*. Subject to the limitations provided in this subsection, for
 14 taxable years beginning after December 31, 2007, and before January 1, 2018, a
 15 claimant may claim as a credit against the taxes imposed under s. 71.43, up to the
 16 amount of the taxes, an amount that is equal to 25 percent of the amount that the
 17 claimant paid in the taxable year to install or retrofit pumps located in this state that
 18 dispense motor vehicle fuel consisting of at least 85 percent ethanol or at least 20
 19 percent biodiesel fuel.

20 (c) *Limitations*. 1. The maximum amount of the credit that a claimant may
 21 claim under this subsection in a taxable year is an amount that is equal to \$5,000 per
 22 installed or retrofitted pump that is used as the basis for the credit claimed under
 23 par. (b).

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

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

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

12 71.49 (1) (ds) Ethanol and biodiesel fuel pump credit under s. 71.47 (5j).

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

14 77.92 (4) "Net business income," with respect to a partnership, means taxable
15 income as calculated under section 703 of the Internal Revenue Code; plus the items
16 of income and gain under section 702 of the Internal Revenue Code, including taxable
17 state and municipal bond interest and excluding nontaxable interest income or
18 dividend income from federal government obligations; minus the items of loss and
19 deduction under section 702 of the Internal Revenue Code, except items that are not
20 deductible under s. 71.21; plus guaranteed payments to partners under section 707
21 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),
22 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3s), (3n), (3t), (3w), (5b), (5e), (5f),
23 (5g), and (5h), (5i), and (5j); and plus or minus, as appropriate, transitional
24 adjustments, depreciation differences, and basis differences under s. 71.05 (13), (15),
25 (16), (17), and (19); but excluding income, gain, loss, and deductions from farming.

(3p)

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

***NOTE: This is reconciled s. 77.92 (4). This SECTION has been affected by drafts
with the following LRB numbers: 1410/~~1~~, 1502/1~~1~~, and 0724/1.

5

(END)

1822/1,

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

LRB-1410/3dn
JK:kjf:jf

February 5, 2007

This draft reconciles LRB-0724/1, LRB-1410/2, LRB-1502/1, and 1822/1. All of these drafts should continue to appear in the compiled bill.

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State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-1410/3

JK:kjf:jf

DOA:.....Miner, BB0309 - Bioindustry tax credits

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

Under this bill, a person may claim an income and franchise tax credit equal to 25 percent of the amount that the person paid in the taxable year to install or retrofit pumps located in this state that dispense motor vehicle fuel consisting of at least 85 percent ethanol or at least 20 percent biodiesel fuel.

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:

2 SECTION 1. 71.05 (6) (a) 15. of the statutes is amended to read:

3 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),
4 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3n), (3p), (3s), (3t), (3w), ~~(5b)~~, ~~(5d)~~,
5 and (5e), (5f), and (5h), (5i), and (5j) and not passed through by a partnership, limited

1 liability company, or tax-option corporation that has added that amount to the
2 partnership's, company's, or tax-option corporation's income under s. 71.21 (4) or
3 71.34 (1) (g).

****NOTE: This is reconciled s. 71.05 (6) (a) 15. This SECTION has been affected by
drafts with the following LRB numbers: 1410/2, 1502/1, 1822/1, and 0724/1.

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

5 **71.07 (5j) ETHANOL AND BIODIESEL FUEL PUMP CREDIT.** (a) *Definitions.* In this
6 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. "Motor vehicle fuel" has the meaning given in s. 78.005 (13).

10 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
11 taxable years beginning after December 31, 2007, and before January 1, 2018, a
12 claimant may claim as a credit against the taxes imposed under s. 71.02, up to the
13 amount of the taxes, an amount that is equal to 25 percent of the amount that the
14 claimant paid in the taxable year to install or retrofit pumps located in this state that
15 dispense motor vehicle fuel consisting of at least 85 percent ethanol or at least 20
16 percent biodiesel fuel.

17 (c) *Limitations.* 1. The maximum amount of the credit that a claimant may
18 claim under this subsection in a taxable year is an amount that is equal to \$5,000 per
19 installed or retrofitted pump that is used as the basis for the credit claimed under
20 par. (b).

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 payment of amounts under par. (b). A partnership,

1 limited liability company, or tax-option corporation shall compute the amount of
2 credit that each of its partners, members, or shareholders may claim and shall
3 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.* Section 71.28 (4) (e) to (h), as it applies to the credit under
7 s. 71.28 (4), applies to the credit under this subsection.

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

9 71.10 (4) (gc) Ethanol and biodiesel fuel pump 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), (3p), (3s), (3t), (3w), ~~(5b)~~, (5e), (5f), (5g), ~~and~~
13 (5h), (5i), and (5j) and passed through to partners shall be added to the partnership's
14 income.

****NOTE: This is reconciled s. 71.21 (4). This SECTION has been affected by drafts
with the following LRB numbers: 1410/2, 1502/1, 1822/1, and 0724/1.

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

16 71.26 (2) (a) *Corporations in general.* The "net income" of a corporation means
17 the gross income as computed under the Internal Revenue Code as modified under
18 sub. (3) minus the amount of recapture under s. 71.28 (1di) plus the amount of credit
19 computed under s. 71.28 (1), (3), (4), and (5) minus, as provided under s. 71.28 (3) (c)
20 7., the amount of the credit under s. 71.28 (3) that the taxpayer added to income
21 under this paragraph at the time that the taxpayer first claimed the credit plus the
22 amount of the credit computed under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm),
23 (1ds), (1dx), (3g), (3n), (3p), (3t), (3w), ~~(5b)~~, (5e), (5f), (5g), ~~and~~ (5h), (5i), and (5j) and

1 not passed through by a partnership, limited liability company, or tax-option
2 corporation that has added that amount to the partnership's, limited liability
3 company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g) plus
4 the amount of losses from the sale or other disposition of assets the gain from which
5 would be wholly exempt income, as defined in sub. (3) (L), if the assets were sold or
6 otherwise disposed of at a gain and minus deductions, as computed under the
7 Internal Revenue Code as modified under sub. (3), plus or minus, as appropriate, an
8 amount equal to the difference between the federal basis and Wisconsin basis of any
9 asset sold, exchanged, abandoned, or otherwise disposed of in a taxable transaction
10 during the taxable year, except as provided in par. (b) and s. 71.45 (2) and (5).

****NOTE: This is reconciled s. 71.26 (2) (a). This SECTION has been affected by drafts
with the following LRB numbers: 1410/2, 1502/1, 1822/1, and 0724/1.

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

12 **71.28 (5j) ETHANOL AND BIODIESEL FUEL PUMP CREDIT.** (a) *Definitions.* In this
13 subsection:

- 14 1. "Biodiesel fuel" has the meaning given in s. 168.14 (2m) (a).
- 15 2. "Claimant" means a person who files a claim under this subsection.
- 16 3. "Motor vehicle fuel" has the meaning given in s. 78.005 (13).

17 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
18 taxable years beginning after December 31, 2007, and before January 1, 2018, a
19 claimant may claim as a credit against the taxes imposed under s. 71.23, up to the
20 amount of the taxes, an amount that is equal to 25 percent of the amount that the
21 claimant paid in the taxable year to install or retrofit pumps located in this state that
22 dispense motor vehicle fuel consisting of at least 85 percent ethanol or at least 20
23 percent biodiesel fuel.

1 (c) *Limitations.* 1. The maximum amount of the credit that a claimant may
2 claim under this subsection in a taxable year is an amount that is equal to \$5,000 per
3 installed or retrofitted pump that is used as the basis for the credit claimed under
4 par. (b).

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

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

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

16 71.30 (3) (ed) Ethanol and biodiesel fuel pump credit under s. 71.28 (5j).

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

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

****NOTE: This is reconciled s. 71.34 (1) (g). This SECTION has been affected by drafts
with the following LRB numbers: 1410/2, 1502/1, 1822/1, and 0724/1.

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

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

 ****NOTE: This is reconciled s. 71.45 (2) (a) 10. This SECTION has been affected by
 drafts with the following LRB numbers: 1410/2, 1502/1, 1822/1, and 0724/1.

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

8 71.47 (5j) ETHANOL AND BIODIESEL FUEL PUMP CREDIT. (a) *Definitions.* In this
9 subsection:

- 10 1. "Biodiesel fuel" has the meaning given in s. 168.14 (2m) (a).
11 2. "Claimant" means a person who files a claim under this subsection.
12 3. "Motor vehicle fuel" has the meaning given in s. 78.005 (13).

13 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
14 taxable years beginning after December 31, 2007, and before January 1, 2018, a
15 claimant may claim as a credit against the taxes imposed under s. 71.43, up to the
16 amount of the taxes, an amount that is equal to 25 percent of the amount that the
17 claimant paid in the taxable year to install or retrofit pumps located in this state that
18 dispense motor vehicle fuel consisting of at least 85 percent ethanol or at least 20
19 percent biodiesel fuel.

20 (c) *Limitations.* 1. The maximum amount of the credit that a claimant may
21 claim under this subsection in a taxable year is an amount that is equal to \$5,000 per
22 installed or retrofitted pump that is used as the basis for the credit claimed under
23 par. (b).

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

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

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

12 71.49 (1) (ds) Ethanol and biodiesel fuel pump credit under s. 71.47 (5j).

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

14 77.92 (4) "Net business income," with respect to a partnership, means taxable
15 income as calculated under section 703 of the Internal Revenue Code; plus the items
16 of income and gain under section 702 of the Internal Revenue Code, including taxable
17 state and municipal bond interest and excluding nontaxable interest income or
18 dividend income from federal government obligations; minus the items of loss and
19 deduction under section 702 of the Internal Revenue Code, except items that are not
20 deductible under s. 71.21; plus guaranteed payments to partners under section 707
21 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),
22 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3s), (3n), (3p), (3t), (3w), ~~(5b)~~, (5e),
23 (5f), (5g), ~~and (5h)~~, (5i), and (5j); and plus or minus, as appropriate, transitional
24 adjustments, depreciation differences, and basis differences under s. 71.05 (13), (15),
25 (16), (17), and (19); but excluding income, gain, loss, and deductions from farming.

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

****NOTE: This is reconciled s. 77.92 (4). This SECTION has been affected by drafts
with the following LRB numbers: 1410/2, 1502/1, 1822/1, and 0724/1.

5 (END)