



## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

**2007 Assembly Bill 671**

**Assembly Amendments 1, 2,  
and 3**

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**Assembly Bill 671** creates an income tax exclusion for the amount of capital gain that is invested in a Wisconsin business within 180 days after the sale of the original asset that generated the gain. Among other requirements, the amount excluded may not exceed \$10 million in a taxable year, and the asset must have been held more than one year.

Under the bill, a “Wisconsin business” is defined as a business that meets all the following requirements:

- Is headquartered in Wisconsin;
- Employs at least 51% of its employees in Wisconsin;
- Is engaged in, or is committed to engage in, businesses such as manufacturing, agriculture, conducting research, or developing new products or business processes;
- Is not engaged in businesses such as real estate development, insurance, banking, lobbying, political consulting, professional services, retail, leisure, hospitality, transportation, or construction;
- Has fewer than 500 employees;
- Has been in operation in Wisconsin for not more than seven consecutive years.

**Assembly Amendment 1** provides that a person may not claim an angel investment tax credit for any amounts excluded from income under the provisions of the bill.

**Assembly Amendment 2** specifies that businesses engaged in silviculture are included within the definition of “Wisconsin business” under the bill.

**Assembly Amendment 3** provides that a business that is a publicly traded entity is not included within the definition of “Wisconsin business” under the bill.

**Legislative History**

Assembly Amendments 1 and 2 were introduced by Representative Strachota on February 13, 2008. Assembly Amendment 3 was introduced on February 13, 2008 by Representatives Fields and Sheridan. On February 21, 2008, all three amendments were recommended for adoption by the Assembly Committee on Jobs and the Economy on votes of Ayes, 9; and Noes, 0. The committee recommended passage of the bill, as amended, on a vote of Ayes, 9; and Noes, 0.

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