



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2007 Senate Bill 425

**Senate
Amendment 1**

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Current law makes available an income tax credit for 10% of the amount that the taxpayer paid for dairy manufacturing modernization and expansion relating to that person's dairy manufacturing operation.

Senate Bill 425 provides a similar income tax credit for 10% of the amount that the taxpayer pays for meat processing modernization or expansion. The credit is for capital expenses, rather than for expenses for which a business expense deduction is available. A single claimant may claim up to \$200,000, which is refunded if the expenses exceed the taxpayer's Wisconsin income tax liability. The maximum amount of paid credits to all taxpayers under the program is \$300,000 for fiscal year 2009-10 and \$700,000 in each of the subsequent fiscal years prior to January 1, 2017. The Department of Commerce certifies taxpayers as eligible for the income tax credit and allocates the total amount of income tax credits for this program among all taxpayers who claim a credit.

Senate Amendment 1 requires that the income tax credit received by the taxpayer be added to income for Wisconsin tax purposes, to avoid providing a double benefit to the taxpayer. The amendment also requires the claimant to submit with the claimant's tax return a copy of the eligibility certification from the Department of Commerce and the allocation to taxpayers by the Department of Commerce.

Legislative History

Senate Amendment 1 was introduced by the Senate Committee on Agriculture and Higher Education and recommended for adoption, and Senate Bill 425 was recommended for passage, as amended, on February 26, 2008, each by a vote of Ayes, 5; Noes, 0.

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