
AN ACT to amend 71.07 (5f) (b) (intro.), 71.07 (5f) (c) 1., 71.07 (5h) (b) (intro.), 71.07 (5h) (c) 1., 71.07 (5h) (c) 2., 71.07 (5h) (c) 3., 71.28 (5f) (b) (intro.), 71.28 (5f) (c) 1., 71.28 (5f) (c) 2., 71.28 (5f) (c) 3., 71.47 (5f) (b) (intro.), 71.47 (5f) (c) 1., 71.47 (5f) (c) 2., 71.47 (5f) (c) 3., 71.47 (5h) (b) (intro.), 71.47 (5h) (c) 1., 71.47 (5h) (c) 2. and 71.47 (5h) (c) 3.; and to create 71.07 (5f) (c) 2m., 71.07 (5h) (c) 3m., 71.28 (5f) (c) 2m., 71.28 (5h) (c) 3m., 71.47 (5f) (c) 2m. and 71.47 (5h) (c) 3m. of the statutes; relating to: the taxable years for which a person may claim the film production services and film production company investment credits.

Analysis by the Legislative Reference Bureau

Under current law, for taxable years beginning on or after January 1, 2008, a film production company may claim income and franchise tax credits for expenses related to film production services, including a percentage of the salary or wages paid to the company’s employees in this state, and for capital investments made in this state by the film production company. Under this bill, a film production company may claim the credits for taxable years beginning on or after July 1, 2007. Furthermore, the film production company may claim expenses paid after December 31, 2006, and before July 1, 2007, on the tax return for its first taxable year beginning on or after July 1, 2007.
The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1. **SECTION 1.** 71.07 (5f) (b) (intro.) of the statutes is amended to read:

   71.07 (5f) (b) **Filing claims.** (intro.) Subject to the limitations provided in this subsection, for taxable years beginning on or after July 1, 2007, and for amounts paid after December 31, 2007, a claimant may claim as a credit against the tax imposed under s. 71.02 any of the following amounts:

2. **SECTION 2.** 71.07 (5f) (c) 1. of the statutes is amended to read:

   71.07 (5f) (c) 1. No amount of the salary or wages paid under par. (b) 1. may be the basis for a credit under this subsection unless the salary or wages are paid for services rendered after December 31, 2007, and directly incurred to produce the accredited production.

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

   71.07 (5f) (c) 2m. For purposes of this subsection, amounts described under par. (b) 1. to 3. that the claimant paid after December 31, 2006, and before July 1, 2007, are considered to be paid in the claimant’s first taxable year beginning on or after July 1, 2007, and may be claimed on the claimant’s return for that year.

4. **SECTION 4.** 71.07 (5h) (b) (intro.) of the statutes is amended to read:

   71.07 (5h) (b) **Filing claims.** (intro.) Subject to the limitations provided in this subsection, for taxable years beginning on or after July 1, 2007, and for amounts paid after December 31, 2007, a claimant may claim as a credit against the tax imposed under s. 71.02, up to the amount of the taxes, for the first 3 taxable years that the claimant is doing business in this state as a film production company, an
amount that is equal to 15 percent of the following that the claimant paid in the taxable year to establish a film production company in this state:

**SECTION 5.** 71.07 (5h) (c) 1. of the statutes is amended to read:

71.07 (5h) (c) 1. A claimant may claim the credit under par. (b) 1., if the tangible personal property is purchased after December 31, 2007 2006, and the personal property is used for at least 50 percent of its use in the claimant’s business as a film production company.

**SECTION 6.** 71.07 (5h) (c) 2. of the statutes is amended to read:

71.07 (5h) (c) 2. A claimant may claim the credit under par. (b) 2. for an amount expended to construct, rehabilitate, remodel, or repair real property, if the claimant began the physical work of construction, rehabilitation, remodeling, or repair, or any demolition or destruction in preparation for the physical work, after December 31, 2007 2006, or if the completed project is placed in service after December 31, 2007 2006.

**SECTION 7.** 71.07 (5h) (c) 3. of the statutes is amended to read:

71.07 (5h) (c) 3. A claimant may claim the credit under par. (b) 2. for an amount expended to acquire real property, if the property is not previously owned property and if the claimant acquires the property after December 31, 2007 2006, or if the completed project is placed in service after December 31, 2007 2006.

**SECTION 8.** 71.07 (5h) (c) 3m. of the statutes is created to read:

71.07 (5h) (c) 3m. For purposes of this subsection, amounts described under par. (b) 1. and 2. that the claimant paid after December 31, 2006, and before July 1, 2007, are considered to be paid in the claimant’s first taxable year beginning on or after July 1, 2007, and may be claimed on the claimant’s return for that year.

**SECTION 9.** 71.28 (5f) (b) (intro.) of the statutes is amended to read:
71.28 (5f) (b) **Filing claims.** (intro.) Subject to the limitations provided in this subsection, for taxable years beginning on or after July 1, 2007, and for amounts paid after December 31, 2006, a claimant may claim as a credit against the tax imposed under s. 71.23 any of the following amounts:

**SECTION 10.** 71.28 (5f) (c) 1. of the statutes is amended to read:

71.28 (5f) (c) 1. No amount of the salary or wages paid under par. (b) 1. may be the basis for a credit under this subsection unless the salary or wages are paid for services rendered after December 31, 2007, and directly incurred to produce the accredited production.

**SECTION 11.** 71.28 (5f) (c) 2m. of the statutes is created to read:

71.28 (5f) (c) 2m. For purposes of this subsection, amounts described under par. (b) 1. to 3. that the claimant paid after December 31, 2006, and before July 1, 2007, are considered to be paid in the claimant’s first taxable year beginning on or after July 1, 2007, and may be claimed on the claimant’s return for that year.

**SECTION 12.** 71.28 (5h) (b) (intro.) of the statutes is amended to read:

71.28 (5h) (b) **Filing claims.** (intro.) Subject to the limitations provided in this subsection, for taxable years beginning on or after July 1, 2007, and for amounts paid after December 31, 2007, 2006, a claimant may claim as a credit against the tax imposed under s. 71.23, up to the amount of the taxes, for the first 3 taxable years that the claimant is doing business in this state as a film production company, an amount that is equal to 15 percent of the following that the claimant paid in the taxable year to establish a film production company in this state:

**SECTION 13.** 71.28 (5h) (c) 1. of the statutes is amended to read:

71.28 (5h) (c) 1. A claimant may claim the credit under par. (b) 1., if the tangible personal property is purchased after December 31, 2007, 2006, and the personal
property is used for at least 50 percent of its use in the claimant’s business as a film
production company.

**SECTION 14.** 71.28 (5h) (c) 2. of the statutes is amended to read:

71.28 (5h) (c) 2. A claimant may claim the credit under par. (b) 2. for an amount
expended to construct, rehabilitate, remodel, or repair real property, if the claimant
began the physical work of construction, rehabilitation, remodeling, or repair, or any
demolition or destruction in preparation for the physical work, after December 31, 2007 2006, or if the completed project is placed in service after December 31, 2007 2006.

**SECTION 15.** 71.28 (5h) (c) 3. of the statutes is amended to read:

71.28 (5h) (c) 3. A claimant may claim the credit under par. (b) 2. for an amount
expended to acquire real property, if the property is not previously owned property
and if the claimant acquires the property after December 31, 2007 2006, or if the
completed project is placed in service after December 31, 2007 2006.

**SECTION 16.** 71.28 (5h) (c) 3m. of the statutes is created to read:

71.28 (5h) (c) 3m. For purposes of this subsection, amounts described under
par. (b) 1. and 2. that the claimant paid after December 31, 2006, and before July 1, 2007, are considered to be paid in the claimant’s first taxable year beginning on or after July 1, 2007, and may be claimed on the claimant’s return for that year.

**SECTION 17.** 71.47 (5f) (b) (intro.) of the statutes is amended to read:

71.47 (5f) (b) **Filing claims.** (intro.) Subject to the limitations provided in this
subsection, for taxable years beginning on or after July 1, 2007, and for amounts paid
after December 31, 2007 2006, a claimant may claim as a credit against the tax
imposed under s. 71.43 any of the following amounts:

**SECTION 18.** 71.47 (5f) (c) 1. of the statutes is amended to read:
71.47 (5f) (c) 1. No amount of the salary or wages paid under par. (b) 1. may be the basis for a credit under this subsection unless the salary or wages are paid for services rendered after December 31, 2007, and directly incurred to produce the accredited production.

**SECTION 19.** 71.47 (5f) (c) 2m. of the statutes is created to read:

71.47 (5f) (c) 2m. For purposes of this subsection, amounts described under par. (b) 1. to 3. that the claimant paid after December 31, 2006, and before July 1, 2007, are considered to be paid in the claimant’s first taxable year beginning on or after July 1, 2007, and may be claimed on the claimant's return for that year.

**SECTION 20.** 71.47 (5h) (b) (intro.) of the statutes is amended to read:

71.47 (5h) (b) **Filing claims.** (intro.) Subject to the limitations provided in this subsection, for taxable years beginning on or after July 1, 2007, and for amounts paid after December 31, 2007, a claimant may claim as a credit against the tax imposed under s. 71.43, up to the amount of the taxes, for the first 3 taxable years that the claimant is doing business in this state as a film production company, an amount that is equal to 15 percent of the following that the claimant paid in the taxable year to establish a film production company in this state:

**SECTION 21.** 71.47 (5h) (c) 1. of the statutes is amended to read:

71.47 (5h) (c) 1. A claimant may claim the credit under par. (b) 1., if the tangible personal property is purchased after December 31, 2007, and the personal property is used for at least 50 percent of its use in the claimant’s business as a film production company.

**SECTION 22.** 71.47 (5h) (c) 2. of the statutes is amended to read:

71.47 (5h) (c) 2. A claimant may claim the credit under par. (b) 2. for an amount expended to construct, rehabilitate, remodel, or repair real property, if the claimant
began the physical work of construction, rehabilitation, remodeling, or repair, or any
demolition or destruction in preparation for the physical work, after December 31, 2007 2006, or if the completed project is placed in service after December 31, 2007 2006.

SECTION 23. 71.47 (5h) (c) 3. of the statutes is amended to read:

71.47 (5h) (c) 3. A claimant may claim the credit under par. (b) 2. for an amount
expended to acquire real property, if the property is not previously owned property
and if the claimant acquires the property after December 31, 2007 2006, or if the
completed project is placed in service after December 31, 2007 2006.

SECTION 24. 71.47 (5h) (c) 3m. of the statutes is created to read:

71.47 (5h) (c) 3m. For purposes of this subsection, amounts described under
par. (b) 1. and 2. that the claimant paid after December 31, 2006, and before July 1, 2007, are considered to be paid in the claimant’s first taxable year beginning on or after July 1, 2007, and may be claimed on the claimant’s return for that year.