

2009 DRAFTING REQUEST

Bill

Received: 10/03/2008

Received By: jkreye

Wanted: As time permits

Identical to LRB:

For: Alvin Ott (608) 266-5831

By/Representing: erin

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Addl. Drafters:

Subject: Tax, Business - credits

Extra Copies:

Submit via email: YES

Requester's email: Rep.Ott@legis.wisconsin.gov

Carbon copy (CC:) to: joseph.kreye@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Meat processing facility investment credit

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>
/?	jkreye 10/03/2008	bkraft 10/13/2008		_____			State
/1			rschluet 10/13/2008	_____	cduerst 10/13/2008	cduerst 10/22/2008	

FE Sent For: "/1" @intro. 1/29/09

<END>

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/?	jkreye	1/1 bjk 10/13		MJD			
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FE Sent For:

<END>

Bill Draft Request

Date: 10-3-08

Legislator Requesting Draft: Rep. Al Ott

Person Submitting Request: Erin Ruby – Research Assistant

Person to Contact with Questions: Erin Ruby (6-5831)

Drafting Request:

Please re-draft 2007 AB 732 (Attached) as amended by Assembly Amendment 1 (Attached).

Feel free to call with any questions.

Thank you!

ASSEMBLY BILL 732

SECTION 1

INSERT 2-2

1 ✓ 20.835 (2) (bd) *Meat processing facility investment credit*. A sum sufficient to
2 make the payments under ss. 71.07 (3r), 71.28 (3r), and 71.47 (3r). ✓

3 SECTION 2. 71.07 (3r) of the statutes is created to read:

4 ✓ 71.07 (3r) MEAT PROCESSING FACILITY INVESTMENT CREDIT. (a) *Definitions*. In this
5 subsection: ✓

6 1. "Claimant" means a person who files a claim under this subsection. ✓

7 2. "Meat processing" means processing livestock into meat products or
8 processing meat products for sale commercially. ✓

9 3. "Meat processing modernization or expansion" means constructing, ✓
10 improving, ✓ or acquiring buildings or facilities, ✓ or acquiring equipment, ✓ for meat
11 processing, ✓ including the following, ✓ if used exclusively for meat processing and if
12 acquired and placed in service in this state during taxable years that begin after
13 December 31, 2008, ✓ and before January 1, 2017: ✓

14 a. Building construction, including livestock handling, product intake, storage, ✓
15 and warehouse facilities. ✓

16 b. Building additions. ✓

17 c. Upgrades to utilities, including water, electric, heat, refrigeration, freezing, ✓
18 and waste facilities. ✓

19 d. Livestock intake and storage equipment. ✓

20 e. Processing and manufacturing equipment, including cutting equipment, ✓
21 mixers, ✓ grinders, ✓ sausage stuffers, ✓ meat smokers, ✓ curing equipment, ✓ cooking
22 equipment, ✓ pipes, ✓ motors, ✓ pumps, ✓ and valves. ✓

23 f. Packaging and handling equipment, including sealing, bagging, boxing, ✓
24 labeling, ✓ conveying, ✓ and product movement equipment. ✓

25 g. Warehouse equipment, including storage and curing racks. ✓

ASSEMBLY BILL 732

1 h. Waste treatment and waste management equipment, including tanks,
2 blowers, separators, dryers, digesters, and equipment that uses waste to produce
3 energy, fuel, or industrial products.

4 i. Computer software and hardware used for managing the claimant's meat
5 processing operation, including software and hardware related to logistics,
6 inventory management, production plant controls, and temperature monitoring
7 controls.

8 4. "Used exclusively" means used to the exclusion of all other uses except for
9 use not exceeding 5 percent of total use.

10 (b) *Filing claims.* Subject to the limitations provided in this subsection and s.
11 560.208, for taxable years beginning after December 31, 2008, and before January
12 1, 2017, a claimant may claim as a credit against the taxes imposed under s. 71.02
13 or 71.08, up to the amount of the tax, an amount equal to 10 percent of the amount
14 the claimant paid in the taxable year for meat processing modernization or
15 expansion related to the claimant's meat processing operation.

16 (c) *Limitations.* 1. No credit may be allowed under this subsection for any
17 amount that the claimant paid for expenses described under par. (b) that the
18 claimant also claimed as a deduction under section 162 of the Internal Revenue Code.

19 2. The aggregate amount of credits that a claimant may claim under this
20 subsection is \$200,000.

21 3. a. The maximum amount of the credits that may be claimed under this
22 subsection and ss. 71.28 (3r) and 71.47 (3r) in fiscal year 2009-10 is \$300,000, as
23 allocated under s. 560.208.

ASSEMBLY BILL 732

SECTION 2

1 b. The maximum amount of the credits that may be claimed under this
2 subsection and ss. 71.28 (3r) and 71.47 (3r) in fiscal year 2010-11, and in each fiscal
3 year thereafter, is \$700,000, as allocated under s. 560.208.

4 4. Partnerships, limited liability companies, and tax-option corporations may
5 not claim the credit under this subsection, but the eligibility for, and the amount of,
6 the credit are based on their payment of expenses under par. (b), except that the
7 aggregate amount of credits that the entity may compute shall not exceed \$200,000.
8 A partnership, limited liability company, or tax-option corporation shall compute
9 the amount of credit that each of its partners, members, or shareholders may claim
10 and shall provide that information to each of them. Partners, members of limited
11 liability companies, and shareholders of tax-option corporations may claim the
12 credit in proportion to their ownership interest.

13 5. If 2 or more persons own and operate the meat processing operation, each
14 person may claim a credit under par. (b) in proportion to his or her ownership
15 interest, except that the aggregate amount of the credits claimed by all persons who
16 own and operate the meat processing operation shall not exceed \$200,000.

17 (d) Administration. 1. Section 71.28 (4) (e), (g), and (h), as it applies to the
18 credit under s. 71.28 (4), applies to the credit under this subsection.

19 2. If the allowable amount of the claim under par. (b) exceeds the tax otherwise
20 due under s. 71.02 or 71.08, the amount of the claim not used to offset the tax due
21 shall be certified by the department of revenue to the department of administration
22 for payment by check, share draft, or other draft drawn from the appropriation
23 account under s. 20.835 (2) (bd).

24 SECTION 3. 71.08 (1) (intro.) of the statutes, as affected by 2007 Wisconsin Act
25 20, is amended to read:

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71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married couple filing jointly, trust, or estate under s. 71.02, not considering the credits under ss. 71.07 (1), (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2fd), (3m), (3n), (3p), (3r), (3s), (3t), (3w), (5b), (5d), (5e), (6), (6e), and (9e), 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1fd), (2m), (3), (3n), (3t), and (3w), and 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1fd), (2m), (3), (3n), (3t), and (3w), and subchs. VIII and IX and payments to other states under s. 71.07 (7), is less than the tax under this section, there is imposed on that natural person, married couple filing jointly, trust or estate, instead of the tax under s. 71.02, an alternative minimum tax computed as follows:

SECTION 4. 71.10 (4) (i) of the statutes, as affected by 2007 Wisconsin Act 20, is amended to read:

71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland preservation credit under subch. IX, homestead credit under subch. VIII, farmland tax relief credit under s. 71.07 (3m), farmers' drought property tax credit under s. 71.07 (2fd), dairy manufacturing facility investment credit under s. 71.07 (3p), meat processing facility investment credit under s. 71.07 (3r), film production services credit under s. 71.07 (5f) (b) 2., veterans and surviving spouses property tax credit under s. 71.07 (6e), enterprise zone jobs credit under s. 71.07 (3w), earned income tax credit under s. 71.07 (9e), estimated tax payments under s. 71.09, and taxes withheld under subch. X.

SECTION 5. 71.28 (3r) of the statutes is created to read:

71.28 (3r) MEAT PROCESSING FACILITY INVESTMENT CREDIT. (a) *Definitions*. In this subsection:

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

INSERT
5-21

ASSEMBLY BILL 732**SECTION 5**

1 2. "Meat processing" means processing livestock into meat products or
2 processing meat products for sale commercially.✓

3 3. "Meat processing modernization or expansion" means constructing,✓
4 improving,✓ or acquiring buildings or facilities,✓ or acquiring equipment,✓ for meat
5 processing,✓ including the following,✓ if used exclusively for meat processing and if
6 acquired and placed in service in this state during taxable years that begin after
7 December 31, 2008, and before January 1, 2017:✓

8 a. Building construction, including livestock handling, product intake, storage,✓
9 and warehouse facilities.✓

10 b. Building additions.✓

11 c. Upgrades to utilities, including water, electric, heat, refrigeration, freezing,✓
12 and waste facilities.✓

13 d. Livestock intake and storage equipment.✓

14 e. Processing and manufacturing equipment, including cutting equipment,✓
15 mixers,✓ grinders,✓ sausage stuffers,✓ meat smokers,✓ curing equipment,✓ cooking
16 equipment,✓ pipes,✓ motors,✓ pumps,✓ and valves.✓

17 f. Packaging and handling equipment, including sealing, bagging, boxing,✓
18 labeling,✓ conveying,✓ and product movement equipment.✓

19 g. Warehouse equipment, including storage and curing racks.✓

20 h. Waste treatment and waste management equipment, including tanks,✓
21 blowers,✓ separators,✓ dryers,✓ digesters,✓ and equipment that uses waste to produce
22 energy,✓ fuel,✓ or industrial products.✓

23 i. Computer software and hardware used for managing the claimant's meat
24 processing operation, including software and hardware related to logistics,✓

ASSEMBLY BILL 732

1 inventory management, production plant controls, and temperature monitoring
2 controls.

3 4. "Used exclusively" means used to the exclusion of all other uses except for
4 use not exceeding 5 percent of total use.

5 (b) *Filing claims.* Subject to the limitations provided in this subsection and s.
6 560.208, for taxable years beginning after December 31, 2008, and before January
7 1, 2017, a claimant may claim as a credit against the taxes imposed under s. 71.23,
8 up to the amount of the tax, an amount equal to 10 percent of the amount the
9 claimant paid in the taxable year for meat processing modernization or expansion
10 related to the claimant's meat processing operation.

11 (c) *Limitations.* 1. No credit may be allowed under this subsection for any
12 amount that the claimant paid for expenses described under par. (b) that the
13 claimant also claimed as a deduction under section 162 of the Internal Revenue Code.

14 2. The aggregate amount of credits that a claimant may claim under this
15 subsection is \$200,000.

16 3. a. The maximum amount of the credits that may be claimed under this
17 subsection and ss. 71.07 (3r) and 71.47 (3r) in fiscal year 2009-10 is \$300,000, as
18 allocated under s. 560.208.

19 b. The maximum amount of the credits that may be claimed under this
20 subsection and ss. 71.07 (3r) and 71.47 (3r) in fiscal year 2010-11, and in each fiscal
21 year thereafter, is \$700,000, as allocated under s. 560.208.

22 4. 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 expenses under par. (b), except that the
25 aggregate amount of credits that the entity may compute shall not exceed \$200,000.

ASSEMBLY BILL 732

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

6 5. If 2 or more persons own and operate the meat processing operation, each
 7 person may claim a credit under par. (b) in proportion to his or her ownership
 8 interest, except that the aggregate amount of the credits claimed by all persons who
 9 own and operate the meat processing operation shall not exceed \$200,000.

10 (d) Administration. 1. Subsection (4) (e), (g), and (h), as it applies to the credit
 11 under sub. (4), applies to the credit under this subsection.

12 2. If the allowable amount of the claim under par. (b) exceeds the tax otherwise
 13 due under s. 71.23, the amount of the claim not used to offset the tax due shall be
 14 certified by the department of revenue to the department of administration for
 15 payment by check, share draft, or other draft drawn from the appropriation account
 16 under s. 20.835 (2) (bd).

17 SECTION 6. 71.30 (3) (f) of the statutes, as affected by 2007 Wisconsin Act 20,
 18 is amended to read:

19 71.30 (3) (f) The total of farmers' drought property tax credit under s. 71.28
 20 (1fd), farmland preservation credit under subch. IX, farmland tax relief credit under
 21 s. 71.28 (2m), dairy manufacturing facility investment credit under s. 71.28 (3p),
 22 meat processing facility investment credit under s. 71.28 (3r), enterprise zone jobs
 23 credit under s. 71.28 (3w), film production services credit under s. 71.28 (5f) (b) 2.,
 24 and estimated tax payments under s. 71.29.

25 SECTION 7. 71.47 (3r) of the statutes is created to read:

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ASSEMBLY BILL 732

- 1 ✓ 71.47 (3r) MEAT PROCESSING FACILITY INVESTMENT CREDIT. (a) *Definitions*. In this
2 subsection:
3 1. "Claimant" means a person who files a claim under this subsection.
4 2. "Meat processing" means processing livestock into meat products or
5 processing meat products for sale commercially.
6 3. "Meat processing modernization or expansion" means constructing,
7 improving, or acquiring buildings or facilities, or acquiring equipment, for meat
8 processing, including the following, if used exclusively for meat processing and if
9 acquired and placed in service in this state during taxable years that begin after
10 December 31, 2008, and before January 1, 2017:
11 a. Building construction, including livestock handling, product intake, storage,
12 and warehouse facilities.
13 b. Building additions.
14 c. Upgrades to utilities, including water, electric, heat, refrigeration, freezing,
15 and waste facilities.
16 d. Livestock intake and storage equipment.
17 e. Processing and manufacturing equipment, including cutting equipment,
18 mixers, grinders, sausage stuffers, meat smokers, curing equipment, cooking
19 equipment, pipes, motors, pumps, and valves.
20 f. Packaging and handling equipment, including sealing, bagging, boxing,
21 labeling, conveying, and product movement equipment.
22 g. Warehouse equipment, including storage and curing racks.
23 h. Waste treatment and waste management equipment, including tanks,
24 blowers, separators, dryers, digesters, and equipment that uses waste to produce
25 energy, fuel, or industrial products.

ASSEMBLY BILL 732

SECTION 7

1 i. Computer software and hardware used for managing the claimant's meat
2 processing operation, including software and hardware related to logistics,
3 inventory management, production plant controls, and temperature monitoring
4 controls.

5 4. "Used exclusively" means used to the exclusion of all other uses except for
6 use not exceeding 5 percent of total use.

7 (b) *Filing claims.* Subject to the limitations provided in this subsection and s.
8 560.208, for taxable years beginning after December 31, 2008, and before January
9 1, 2017, a claimant may claim as a credit against the taxes imposed under s. 71.43,
10 up to the amount of the tax, an amount equal to 10 percent of the amount the
11 claimant paid in the taxable year for meat processing modernization or expansion
12 related to the claimant's meat processing operation.

13 (c) *Limitations.* 1. No credit may be allowed under this subsection for any
14 amount that the claimant paid for expenses described under par. (b) that the
15 claimant also claimed as a deduction under section 162 of the Internal Revenue Code.

16 2. The aggregate amount of credits that a claimant may claim under this
17 subsection is \$200,000.

18 3. a. The maximum amount of the credits that may be claimed under this
19 subsection and ss. 71.07 (3r) and 71.28 (3r) in fiscal year 2009-10 is \$300,000, as
20 allocated under s. 560.208.

21 b. The maximum amount of the credits that may be claimed under this
22 subsection and ss. 71.07 (3r) and 71.28 (3r) in fiscal year 2010-11, and in each fiscal
23 year thereafter, is \$700,000, as allocated under s. 560.208.

24 4. Partnerships, limited liability companies, and tax-option corporations may
25 not claim the credit under this subsection, but the eligibility for, and the amount of,

ASSEMBLY BILL 732

1 the credit are based on their payment of expenses under par. (b), except that the
 2 aggregate amount of credits that the entity may compute shall not exceed \$200,000.
 3 A partnership, limited liability company, or tax-option corporation shall compute
 4 the amount of credit that each of its partners, members, or shareholders may claim
 5 and shall provide that information to each of them. Partners, members of limited
 6 liability companies, and shareholders of tax-option corporations may claim the
 7 credit in proportion to their ownership interest.

8 5. If 2 or more persons own and operate the meat processing operation, each
 9 person may claim a credit under par. (b) in proportion to his or her ownership
 10 interest, except that the aggregate amount of the credits claimed by all persons who
 11 own and operate the meat processing operation shall not exceed \$200,000.

12 (d) *Administration*. 1. Section 71.28 (4) (e), (g), and (h), as it applies to the
 13 credit under s. 71.28 (4), applies to the credit under this subsection.

14 2. If the allowable amount of the claim under par. (b) exceeds the tax otherwise
 15 due under s. 71.43, the amount of the claim not used to offset the tax due shall be
 16 certified by the department of revenue to the department of administration for
 17 payment by check, share draft, or other draft drawn from the appropriation account
 18 under s. 20.835 (2) (bd).

19 **SECTION 8.** 71.49 (1) (f) of the statutes, as affected by 2007 Wisconsin Act 20,
 20 is amended to read:

21 71.49 (1) (f) The total of farmers' drought property tax credit under s. 71.47
 22 (1fd), farmland preservation credit under subch. IX, farmland tax relief credit under
 23 s. 71.47 (2m), dairy manufacturing facility investment credit under s. 71.47 (3p),
 24 meat processing facility investment credit under s. 71.47 (3r), enterprise zone jobs

(INJECT
 11-11)

ASSEMBLY BILL 732

SECTION 8

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credit under s. 71.47 (3w), film production services credit under s. 71.47 (5f) (b) 2., and estimated tax payments under s. 71.48.

SECTION 9. 560.208 of the statutes is created to read:

(1) The department of commerce shall implement a program to certify taxpayers as eligible for the meat processing facility investment credit under ss. 71.07 (3r), 71.28 (3r), and 71.47 (3r).

(2) If the department of commerce certifies a taxpayer under sub. (1), the department of commerce shall determine the amount of credits to allocate to that taxpayer. The total amount of meat processing facility investment credits allocated to taxpayers in fiscal year 2009-10 may not exceed \$300,000 and the total amount of meat processing facility investment credits allocated to taxpayers in fiscal year 2010-11, and in each fiscal year thereafter, may not exceed \$700,000.

(3) The department of commerce shall inform the department of revenue of every taxpayer certified under sub. (1) and the amount of credits allocated to the taxpayer.

(4) The department of commerce, in consultation with the department of revenue, shall promulgate rules to administer this section.

(END)

2009-2010 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0500/?ins
JK:.....

Insert 2 - 2

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

2 [✓] 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),
3 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3h), (3n), (3p), [✓](3r), [✓](3s), (3t), (3w),
4 (5e), (5f), (5h), (5i), (5j), and (5k) and not passed through by a partnership, limited
5 liability company, or tax-option corporation that has added that amount to the
6 partnership's, company's, or tax-option corporation's income under s. 71.21 (4) or
7 71.34 (1k) (g).

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; 2007 a. 20, 96, 226.

Insert 5 - 21

8 [✓] SECTION 2. 71.08 (1) (intro.) of the statutes is amended to read:

9 [✓] 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married
10 couple filing jointly, trust, or estate under s. 71.02, not considering the credits under
11 ss. 71.07 (1), (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2fd), (3m), (3n), (3p),
12 [✓](3r), [✓](3s), (3t), (3w), (5b), (5d), (5e), (5f), (6), (6e), and (9e), 71.28 (1dd), (1de), (1di),
13 (1dj), (1dL), (1ds), (1dx), (1fd), (2m), (3), (3n), (3t), and (3w), and 71.47 (1dd), (1de),
14 (1di), (1dj), (1dL), (1ds), (1dx), (1fd), (2m), (3), (3n), (3t), and (3w), and subchs. VIII
15 and IX and payments to other states under s. 71.07 (7), is less than the tax under this
16 section, there is imposed on that natural person, married couple filing jointly, trust
17 or estate, instead of the tax under s. 71.02, an alternative minimum tax computed
18 as follows:

> NOTE: NOTE: Sub. (1) (intro.) is shown as affected by 2 acts of the 2007 Wisconsin legislature and as merged by the legislative reference bureau under s. 13.92 (2) (i).NOTE:

History: 1987 a. 312, 411; 1989 a. 31; 1991 a. 39; 1995 a. 27, 209; 1997 a. 27, 237; 1999 a. 9; 2001 a. 109; 2003 a. 99, 135, 255, 326; 2005 a. 25, 177, 361, 479, 483; 2007 a. 20, 97; s. 13.92 (2) (i).

19 SECTION 3. 71.10 (4) (i) of the statutes is amended to read:

1 ✓ 71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland
 2 preservation credit under subch. IX, homestead credit under subch. VIII, farmland
 3 tax relief credit under s. 71.07 (3m), farmers' drought property tax credit under s.
 4 71.07 (2fd), dairy manufacturing facility investment credit under s. 71.07 (3p), meat
 5 processing facility investment credit under s. 71.07 (3r), film production services
 6 credit under s. 71.07 (5f) (b) 2., veterans and surviving spouses property tax credit
 7 under s. 71.07 (6e), enterprise zone jobs credit under s. 71.07 (3w), earned income tax
 8 credit under s. 71.07 (9e), estimated tax payments under s. 71.09, and taxes withheld
 9 under subch. X.

History: 1987 a. 312; 1987 a. 411 ss. 94, 97, 106 to 179; 1987 a. 422 s. 4; 1989 a. 31, 56, 359; 1991 a. 39; 1993 a. 16, 184; 1995 a. 27, 209, 418, 453; 1997 a. 27, 63, 237, 248; 1999 a. 9, 167; 2001 a. 16, 109; 2003 a. 33, 99, 135, 176, 255, 321; 2005 a. 25, 49, 71, 74, 177, 178, 323, 361, 460, 479, 483; 2007 a. 1, 20, 96, 97.

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), (3h), (3n), (3p), (3r), (3s), (3t), (3w), (5e), (5f), (5g),
 13 (5h), (5i), (5j), and (5k) and passed through to partners shall be added to the
 14 partnership's income.

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; 2007 a. 20, 96.

15 **SECTION 5.** 71.26 (2) (a) 4. of the statutes is amended to read:

16 ✓ 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dd),
 17 (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (3g), (3h), (3n), (3p), (3r), (3t), (3w), (5e),
 18 (5f), (5g), (5h), (5i), (5j), and (5k) and not passed through by a partnership, limited
 19 liability company, or tax-option corporation that has added that amount to the
 20 partnership's, limited liability company's, or tax-option corporation's income under
 21 s. 71.21 (4) or 71.34 (1k) (g).

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; 2007 a. 20, 96, 97, 151, 226.

Insert 8 - 24

22 **SECTION 6.** 71.30 (3) (f) of the statutes is amended to read:

1 meat processing facility investment credit under s. 71.47 (3r), enterprise zone jobs
 2 credit under s. 71.47 (3w), film production services credit under s. 71.47 (5f) (b) 2.,
 3 and estimated tax payments under s. 71.48.

4 History: 1987 a. 312, 411; 1989 a. 31, 56; 1991 a. 39; 1995 a. 27, 209; 1997 a. 27; 2001 a. 16; 2003 a. 135, 255; 2005 a. 74, 361, 479, 483; 2007 a. 20.

SECTION 10. 77.92 (4) of the statutes is amended to read:

5 **77.92 (4)** "Net business income," with respect to a partnership, means taxable
 6 income as calculated under section 703 of the Internal Revenue Code; plus the items
 7 of income and gain under section 702 of the Internal Revenue Code, including taxable
 8 state and municipal bond interest and excluding nontaxable interest income or
 9 dividend income from federal government obligations; minus the items of loss and
 10 deduction under section 702 of the Internal Revenue Code, except items that are not
 11 deductible under s. 71.21; plus guaranteed payments to partners under section 707
 12 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),
 13 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3h), (3s), (3n), (3p), (3r), (3t), (3w),
 14 (5e), (5f), (5g), (5h), (5i), (5j), and (5k); and plus or minus, as appropriate, transitional
 15 adjustments, depreciation differences, and basis differences under s. 71.05 (13), (15),
 16 (16), (17), and (19); but excluding income, gain, loss, and deductions from farming.
 17 "Net business income," with respect to a natural person, estate, or trust, means profit
 18 from a trade or business for federal income tax purposes and includes net income
 19 derived as an employee as defined in section 3121 (d) (3) of the Internal Revenue
 20 Code.

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; 2007 a. 20, 96.

**ASSEMBLY AMENDMENT 1,
TO 2007 ASSEMBLY BILL 732**

February 12, 2008 - Offered by COMMITTEE ON AGRICULTURE.

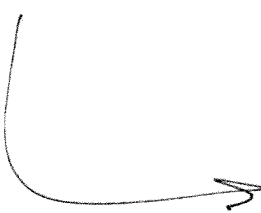
1 At the locations indicated, amend the bill as follows:

2 **1.** Page 2, line 2: after that line insert:

3 "**SECTION 1m.** 71.05 (6) (a) 15. of the statutes, as affected by 2007 Wisconsin
4 Act 20, is amended to read:

5 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),
6 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3h), (3n), (3p), (3r), (3s), (3t), (3w),
7 (5e), (5f), (5h), (5i), (5j), and (5k) and not passed through by a partnership, limited
8 liability company, or tax-option corporation that has added that amount to the
9 partnership's, company's, or tax-option corporation's income under s. 71.21 (4) or
10 71.34 (1) (g).".

11 **2.** Page 4, line 16: after that line insert:



INSERT
4-16

1 ~~6.~~ No credit may be allowed under this subsection unless the claimant submits
 2 with the claimant's return a copy of the claimant's credit certification and allocation
 3 under s. 560.208.

4 **3.** Page 5, line 21: after that line insert:

5 "SECTION 4m. 71.21 (4) of the statutes, as affected by 2007 Wisconsin Act 20,
 6 is amended to read:

7 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
 8 (2dj), (2dL), (2dm), (2ds), (2dx), (3g), (3h), (3n), (3p), (3r), (3s), (3t), (3w), (5e), (5f), (5g),
 9 (5h), (5i), (5j), and (5k) and passed through to partners shall be added to the
 10 partnership's income."

INSERT
8-9

11 **4.** Page 8, line 9: after that line insert:

12 ~~6.~~ No credit may be allowed under this subsection unless the claimant submits
 13 with the claimant's return a copy of the claimant's credit certification and allocation
 14 under s. 560.208.

15 **5.** Page 8, line 24: after that line insert:

16 "SECTION 6d. 71.34 (1) (g) of the statutes, as affected by 2007 Wisconsin Act 20,
 17 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 (3h), (3n), (3p), (3r), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), and (5k) and passed
 21 through to shareholders.

22 SECTION 6h. 71.45 (2) (a) 10. of the statutes, as affected by 2007 Wisconsin Act
 23 20, is amended to read:

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

6. Page 11, line 11: after that line insert:

6. No credit may be allowed under this subsection unless the claimant submits with the claimant's return a copy of the claimant's credit certification and allocation under s. 560.208.

(END)

INSERT
11-11

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0500/?dn

JK:.....

ljk

Date

Representative Ott: ✓

This draft is based on 2007 Assembly Bill 732, as amended by Assembly Amendment 1. ✓ ✓ ✓

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DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0500/1dn
JK:bjk:rs

October 13, 2008

Representative Ott:

This draft is based on 2007 Assembly Bill 732, as amended by Assembly Amendment 1.

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Duerst, Christina

From: Ruby, Erin
Sent: Wednesday, October 22, 2008 7:39 AM
To: LRB.Legal
Subject: Draft Review: LRB 09-0500/1 Topic: Meat processing facility investment credit

Please Jacket LRB 09-0500/1 for the ASSEMBLY.