

2009 DRAFTING REQUEST

Bill

Received: 09/02/2008

Received By: jkreye

Wanted: As time permits

Identical to LRB:

For: Brett Davis (608) 266-1192

By/Representing: luke

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.Davis@legis.wisconsin.gov

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

Pre Topic:

No specific pre topic given

Topic:

Supplemental historic rehabilitation tax 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 09/02/2008	nmatzke 09/17/2008 nmatzke 09/17/2008	nmatzke 09/17/2008	_____	_____	_____	S&L
/1			mduchek 09/17/2008	_____	mbarman 09/17/2008	_____	S&L
/2	jkreye 10/10/2008	nmatzke 10/13/2008	rschluet 10/13/2008	_____	mbarman 10/13/2008	sbasford 01/13/2009	S&L

→ Sent to Rep Shilling's office per e-mail

Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

FE Sent For:

<END>

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/1			mduchek 09/17/2008	_____	mbarman 09/17/2008	_____	S&L
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/1		1/2 nwn 10/13	mduchek 09/17/2008	_____	mbarman 09/17/2008	_____	

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/?	jkreye	/cjs 9/15	md 9/17	md/rs 9/17			
FE Sent For:		1 nwn 9/15					

<END>

0033

Kreye, Joseph

From: Bacher, Luke
Sent: Wednesday, August 20, 2008 1:58 PM
To: Kreye, Joseph
Subject: RE: AB 762

yes, thanks

From: Kreye, Joseph
Sent: Wednesday, August 20, 2008 1:58 PM
To: Bacher, Luke
Subject: RE: AB 762

Luke,

I'll redraft this for next session with the changes listed below. Do you also want to include the content of Assembly Amendment 1 (attached), offered by Rep. Davis and approved by the Assembly Ways and Means Committee?

Joe

Joseph T. Kreye
Senior Legislative Attorney
Legislative Reference Bureau
(608) 266-2263

From: Bacher, Luke
Sent: Wednesday, August 20, 2008 1:49 PM
To: Kreye, Joseph
Subject: AB 762

Joe -

I think you were the drafter for AB 762 this last session.

When you find time, could you make the following changes in another draft? These changes were suggested by someone other than myself, so please let me know if it does or does not make sense.

Thanks,

Luke

Change bill to impact effective date--- "This act first applies to taxable years beginning on January 1, 2008, and to property placed in service on January 1, 2008.

If the drafters otherwise would require 2009 to be substituted for 2008 in the "Initial Applicability" section, then we could modify the effective date language to read as follows:
This act first applies to buildings placed in service on or after June 30, 2008.

08/20/2008

Kreye, Joseph

From: Bacher, Luke
Sent: Wednesday, August 20, 2008 1:49 PM
To: Kreye, Joseph
Subject: AB 762

Joe -

I think you were the drafter for AB 762 this last session.

When you find time, could you make the following changes in another draft? These changes were suggested by someone other than myself, so please let me know if it does or does not make sense.

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If the drafters otherwise would require 2009 to be substituted for 2008 in the "Initial Applicability" section, then we could modify the effective date language to read as follows:

This act first applies to buildings placed in service on or after June 30, 2008.

Friday 9/19

0033/11

2007 - 2008 LEGISLATURE

LRB-2982/3

JK:kjf:nwn

P.W.F.

nwn+cjs

2007 ASSEMBLY BILL 762

D-N

in 9-2-08

SA ✓
X-ref ✓

February 4, 2008 - Introduced by Representatives DAVIS, SHILLING, NYGREN, HAHN and BALLWEG, cosponsored by Senators LASSA, RISSER, ROESSLER and TAYLOR. Referred to Committee on Ways and Means.

re-gen

1 AN ACT *to amend* 44.02 (24), 71.07 (9m) (c), 71.07 (9m) (f), 71.28 (6) (c), 71.28 (6)
 2 (f), 71.47 (6) (c) and 71.47 (6) (f); and *to create* 71.07 (9m) (cm), 71.28 (6) (cm)
 3 and 71.47 (6) (cm) of the statutes; **relating to:** the income and franchise tax
 4 credit that supplements the federal historic rehabilitation tax credit.

Analysis by the Legislative Reference Bureau

> → Under current law, a person who owns an income-producing historic building may claim a federal income tax credit that is equal to 20 percent of certain costs to rehabilitate the historic building. To claim the credit, the building must be listed, or be eligible for listing, on the national register of historic places or located in certain national, state, or local historic districts, and the rehabilitation work must comply with standards established by the secretary of the interior.

Under current law, a person who may claim the federal income tax credit for rehabilitating an income-producing historic building may also claim a state income tax or franchise tax credit that is equal to 5 percent of certain costs to rehabilitate the historic building. To claim the credit, the person must include with the person's tax return evidence that the secretary of the interior approved the rehabilitation work before the rehabilitation work began.

> Under this bill, a person may claim the state income and franchise tax credit for rehabilitating an income-producing historic building if the person includes with the person's tax return evidence that the state historic preservation officer recommended the rehabilitation work for approval by the secretary of the interior ←

ASSEMBLY BILL 762

before the rehabilitation work began and that the rehabilitation was approved by the secretary of the interior.

Under current law, each partner in a partnership or member of a limited liability company is allocated a portion of any tax credit that the partnership or limited liability company may claim, including the credit for rehabilitating a historic building, based on each partner's ownership interest. Under this bill, a partner or member may also be allocated a portion of the tax credit for rehabilitating a historic building in a manner specified in an agreement with the other partners or members.

For further information see the *state and local* 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:

1 **SECTION 1.** 44.02 (24) of the statutes is amended to read:

2 44.02 (24) Promulgate by rule procedures, standards and forms necessary to
3 certify, and shall certify, expenditures for preservation or rehabilitation of historic
4 property for the purposes of s. ss. 71.07 (9m) and (9r), 71.28 (6), and 71.47 (6). These
5 standards shall be substantially similar to the standards used by the secretary of the
6 interior to certify rehabilitations under 26 USC 47 (c) (2).

7 **SECTION 2.** 71.07 (9m) (c) of the statutes is amended to read:

8 71.07 (9m) (c) No person may claim the credit under this subsection unless the
9 claimant includes with the claimant's return evidence that the rehabilitation was
10 approved recommended by the state historic preservation officer for approval by the
11 secretary of the interior under 36 CFR 67.6 before the physical work of construction,
12 or destruction in preparation for construction, began and that the rehabilitation was
13 approved by the secretary of the interior under 36 CFR 67.6.

14 **SECTION 3.** 71.07 (9m) (cm) of the statutes is created to read:

15 71.07 (9m) (cm) Any credit claimed under this subsection for Wisconsin
16 purposes shall be claimed at the same time as for federal purposes.

17 **SECTION 4.** 71.07 (9m) (f) of the statutes is amended to read:

ASSEMBLY BILL 762

1 71.07 (9m) (f) A partnership, limited liability company, or tax-option
 2 corporation may not claim the credit under this subsection. The individual partners
 3 of a partnership, members ~~in~~ of a limited liability company, or shareholders in a
 4 tax-option corporation may claim the credit under this subsection based on eligible
 5 costs incurred by the partnership, company, or tax-option corporation. For
 6 shareholders of a tax-option corporation, the credit may be allocated in proportion
 7 to the ownership interest of each partner, member or shareholder. The partnership,
 8 limited liability company, or tax-option corporation shall calculate the amount of the
 9 credit which may be claimed by each partner, member, or shareholder and shall
 10 provide that information to the partner, member, or shareholder. Credits computed
 11 by a partnership or limited liability company shall be allocated to partners or
 12 members as provided in a written agreement among the partners or members that
 13 is entered into no later than the last day of the taxable year of the partnership or
 14 limited liability company. Any partner or member who claims the credit as provided
 15 under this subsection shall attach a copy of the agreement to the tax return on which
 16 the credit is claimed. A person claiming the credit as provided under this paragraph
 17 is solely responsible for any tax liability arising from a dispute with the department
 18 of revenue related to claiming the credit.

INDENT A

INDENT 3-18

for which the credit is claimed

SECTION 5. 71.28 (6) (c) of the statutes is amended to read:

20 71.28 (6) (c) No person may claim the credit under this subsection unless the
 21 claimant includes with the claimant's return evidence that the rehabilitation was
 22 approved recommended by the state historic preservation officer for approval by the
 23 secretary of the interior under 36 CFR 67.6 before the physical work of construction,
 24 or destruction in preparation for construction, began and that the rehabilitation was
 25 approved by the secretary of the interior under 36 CFR 67.6.

ASSEMBLY BILL 762

SECTION 6

1 SECTION 6. 71.28 (6) (cm) of the statutes is created to read:

2 71.28 (6) (cm) Any credit claimed under this subsection for Wisconsin purposes
3 shall be claimed at the same time as for federal purposes.

4 SECTION 7. 71.28 (6) (f) of the statutes is amended to read:

5 71.28 (6) (f) A partnership, limited liability company, or tax-option corporation
6 may not claim the credit under this section subsection. The individual partners of
7 a partnership, members of a limited liability company, or shareholders in a
8 tax-option corporation may claim the credit under this subsection based on eligible
9 costs incurred by the partnership, limited liability company, or tax-option
10 corporation. For shareholders of a tax-option corporation, the credit may be

11 allocated in proportion to the ownership interest of each partner, member or
12 shareholder. ^{plain period} The partnership, limited liability company, or tax-option corporation
13 shall calculate the amount of the credit which may be claimed by each partner,

14 member, or shareholder and shall provide that information to the partner, member,
15 or shareholder. Credits computed by a partnership or limited liability company shall

16 be allocated to partners or members as provided in a written agreement among the
17 partners or members that is entered into no later than the last day of the taxable year

18 of the partnership or limited liability company. Any partner or member who claims
19 the credit as provided under this subsection shall attach a copy of the agreement to
20 the tax return on which the credit is claimed. A person claiming the credit as
21 provided under this paragraph is solely responsible for any tax liability arising from
22 a dispute with the department of revenue related to claiming the credit.

23 SECTION 8. 71.47 (6) (c) of the statutes is amended to read:

24 71.47 (6) (c) No person may claim the credit under this subsection unless the
25 claimant includes with the claimant's return evidence that the rehabilitation was

INSERT
A

INSERT
4-22

for which the credit is
claimed

ASSEMBLY BILL 762

1 approved recommended by the state historic preservation officer for approval by the
2 secretary of the interior under 36 CFR 67.6 before the physical work of construction,
3 or destruction in preparation for construction, began and that the rehabilitation was
4 approved by the secretary of the interior under 36 CFR 67.6.

5 SECTION 9. 71.47 (6) (cm) of the statutes is created to read:

6 71.47 (6) (cm) Any credit claimed under this subsection for Wisconsin purposes
7 shall be claimed at the same time as for federal purposes.

8 SECTION 10. 71.47 (6) (f) of the statutes is amended to read:

9 71.47 (6) (f) A partnership, limited liability company, or tax-option corporation
10 may not claim the credit under this subsection. The individual partners of a
11 partnership, members of a limited liability company, or shareholders in a tax-option
12 corporation may claim the credit under this subsection based on eligible costs
13 incurred by the partnership, limited liability company, or tax-option corporation.

14 For shareholders of a tax-option corporation, the credit may be allocated in

15 proportion to the ownership interest of each partner, member or shareholder. The

16 partnership, limited liability company, or tax-option corporation shall calculate the

17 amount of the credit which may be claimed by each partner, member, or shareholder

18 and shall provide that information to the partner, member, or shareholder. Credits

19 computed by a partnership or limited liability company shall be allocated to partners

20 or members as provided in a written agreement among the partners or members that

21 is entered into no later than the last day of the taxable year of the partnership or

22 limited liability company. Any partner or member who claims the credit as provided

23 under this subsection shall attach a copy of the agreement to the tax return on which

24 the credit is claimed. A person claiming the credit as provided under this paragraph

paragraph

↑ for which the credit is claimed

plain period

INSERT
A

ASSEMBLY BILL 762

1 is solely responsible for any tax liability arising from a dispute with the department
2 of revenue related to claiming the credit.

3 **SECTION 11. Initial applicability.**

4 (1) SUPPLEMENT TO FEDERAL HISTORIC REHABILITATION CREDIT. This act first
5 applies to taxable years beginning on January 1, 2008, and to property placed in
6 service on ~~January 1,~~ 2008.

7 (END)

or after June 30

(D-N)

*W/EXCT
6-2*

*5
6*

2009

STATE OF WISCONSIN - LEGISLATIVE REFERENCE BUREAU

LRB

Research (608-266-0341)

Library (608-266-7040)

Legal (608-266-3561)

LRB

D-N

Date

-0033/1 du
JK: nwn+cjs:

Representative Davis:

This draft is based on 2007 assembly Bill 762,
as amended by assembly amendment 1.

JK

**ASSEMBLY AMENDMENT 1,
TO 2007 ASSEMBLY BILL 762**

February 15, 2008 – Offered by Representative DAVIS.

*INSERT
3-18*

*under this
subsection*

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

2 **1.** Page 3, line 13: after “year” insert “, for which the credit is claimed.”

3 **2.** Page 3, line 18: after that line insert:

4 **SECTION 4d.** 71.07 (9m) (g) of the statutes is created to read:

5 71.07 (9m) (g) If a person who claims the credit under this subsection elects to
6 claim the credit based on claiming amounts for expenditures as the expenditures are
7 paid, rather than when the rehabilitation work is completed, the person shall file an
8 election form with the department, in the manner prescribed by the department.

9 **4** Notwithstanding s. 71.77, the department may adjust or disallow the credit claimed
10 within 4 years after the date that the state historical society notifies the department
11 that the ~~rehabilitation work~~ *for certification* does not comply with the standards promulgated under
12 s. 44.02 (24). *De*

13 **3.** Page 4, line 17: after “year” insert “, for which the credit is claimed.”

expenditures for which the credit was claimed do

INSERT
4-22

under this subsection

1 **4.** Page 4, line 22: after that line insert:

2 **SECTION 7d.** 71.28 (6) (g) of the statutes is created to read:

3 71.28 (6) (g) If a person who claims the credit under this subsection elects to
4 claim the credit based on claiming amounts for expenditures as the expenditures are
5 paid, rather than when the rehabilitation work is completed, the person shall file an
6 election form with the department, in the manner prescribed by the department.

7 **7d.** Notwithstanding s. 71.77, the department may adjust or disallow the credit claimed
8 within 4 years after the date that the state historical society notifies the department
9 that the ~~rehabilitation work~~ does not comply with the standards ^{for certification} promulgated under
10 s. 44.02 (24). *expenditures for which the credit was claimed do*

11 **5.** Page 5, line 21: after "year" insert ". for which the credit is claimed."

12 **6.** Page 6, line 2: after that line insert:

13 **SECTION 10d.** 71.47 (6) (g) of the statutes is created to read:

14 71.47 (6) (g) If a person who claims the credit under this subsection elects to
15 claim the credit based on claiming amounts for expenditures as the expenditures are
16 paid, rather than when the rehabilitation work is completed, the person shall file an
17 election form with the department, in the manner prescribed by the department.

18 **10d.** Notwithstanding s. 71.77, the department may adjust or disallow the credit claimed
19 within 4 years after the date that the state historical society notifies the department
20 that the ~~rehabilitation work~~ does not comply with the standards ^{for certification} promulgated under
21 s. 44.02 (24). *expenditures for which the credit was claimed do*

(END)

INSERT
6-2

expenditures for which the
credit was claimed do

STATE OF WISCONSIN - LEGISLATIVE REFERENCE BUREAU

LRB

Research (608-266-0341)

Library (608-266-7040)

Legal (608-266-3561)

LRB

-0033/1 - (2982/3)
JK

INSERT A

For shareholders^s of a tax-option corporation, the credit
may be allocated in proportion to the ownership
interest of each shareholder.

end of A

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0033/1dn
JK:nwn&cjs:md

September 17, 2008

Representative Davis:

This draft is based on 2007 Assembly Bill 762, as amended by Assembly Amendment 1.

Joseph T. Kreye
Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.wisconsin.gov

Kreye, Joseph

From: Bacher, Luke
Sent: Friday, October 10, 2008 11:04 AM
To: Kreye, Joseph
Subject: Minor correction to LRB09-0033-1
Attachments: LRB- 09-0033-1.pdf

Joe -

The bill draft is fine except for one minor correction on page 7 lines 15 and 16.

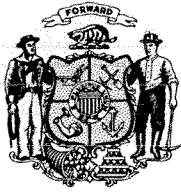
Confirming change desired:

-page 7, line 15, after "taxable years" delete the words "beginning on January 1, 2009, and to" and insert the word "for" before "property placed in service on or after June 30, 2008.

Thanks, and let me know if you have any questions.

-Luke

Luke Bacher
Research Assistant
State Representative Brett Davis
Phone: (608)-266-1192
Toll Free: 888-534-0080
Fax: 608-282-3680
luke.bacher@legis.wi.gov
<http://www.brettdavis.us>



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-0033/1
JK:nwn&cjs:md

RMR

2009 BILL

in 10-10-08

Regen cut

SOON

1 AN ACT *to amend* 44.02 (24), 71.07 (9m) (c), 71.07 (9m) (f), 71.28 (6) (c), 71.28 (6)
2 (f), 71.47 (6) (c) and 71.47 (6) (f); and *to create* 71.07 (9m) (cm), 71.07 (9m) (g),
3 71.28 (6) (cm), 71.28 (6) (g), 71.47 (6) (cm) and 71.47 (6) (g) of the statutes;
4 **relating to:** the income and franchise tax credit that supplements the federal
5 historic rehabilitation tax credit.

Analysis by the Legislative Reference Bureau

Under current law, a person who owns an income-producing historic building may claim a federal income tax credit that is equal to 20 percent of certain costs to rehabilitate the historic building. To claim the credit, the building must be listed, or be eligible for listing, on the national register of historic places or located in certain national, state, or local historic districts, and the rehabilitation work must comply with standards established by the secretary of the interior.

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Under this bill, a person may claim the state income and franchise tax credit for rehabilitating an income-producing historic building if the person includes with the person's tax return evidence that the state historic preservation officer

BILL

recommended the rehabilitation work for approval by the secretary of the interior before the rehabilitation work began and that the rehabilitation was approved by the secretary of the interior.

Under current law, each partner in a partnership or member of a limited liability company is allocated a portion of any tax credit that the partnership or limited liability company may claim, including the credit for rehabilitating a historic building, based on each partner's or member's ownership interest. Under this bill, a partner or member is allocated a portion of the tax credit for rehabilitating a historic building in a manner specified in an agreement with the other partners or members.

For further information see the *state and local* 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:

1 **SECTION 1.** 44.02[√] (24) of the statutes is amended to read:

2 44.02 (24) Promulgate by rule procedures, standards and forms necessary to
3 certify, and shall certify, expenditures for preservation or rehabilitation of historic
4 property for the purposes of s. ss. 71.07 (9m) and (9r), 71.28 (6), and 71.47 (6). These
5 standards shall be substantially similar to the standards used by the secretary of the
6 interior to certify rehabilitations under 26 USC 47 (c) (2).

7 **SECTION 2.** 71.07[√] (9m) (c) of the statutes is amended to read:

8 71.07 (9m) (c) No person may claim the credit under this subsection unless the
9 claimant includes with the claimant's return evidence that the rehabilitation was
10 approved recommended by the state historic preservation officer for approval by the
11 secretary of the interior under 36 CFR 67.6 before the physical work of construction,
12 or destruction in preparation for construction, began and that the rehabilitation was
13 approved by the secretary of the interior under 36 CFR 67.6.

14 **SECTION 3.** 71.07[√] (9m) (cm) of the statutes is created to read:

BILL

1 71.07 (9m) (cm) Any credit claimed under this subsection for Wisconsin
2 purposes shall be claimed at the same time as for federal purposes.

3 **SECTION 4.** 71.07^v(9m) (f) of the statutes is amended to read:

4 71.07 (9m) (f) A partnership, limited liability company, or tax-option
5 corporation may not claim the credit under this subsection. The individual partners
6 of a partnership, members in of a limited liability company, or shareholders in a
7 tax-option corporation may claim the credit under this subsection based on eligible
8 costs incurred by the partnership, company, or tax-option corporation, ~~in proportion~~
9 ~~to the ownership interest of each partner, member or shareholder.~~ The partnership,
10 limited liability company, or tax-option corporation shall calculate the amount of the
11 credit which may be claimed by each partner, member, or shareholder and shall
12 provide that information to the partner, member, or shareholder. For shareholders
13 of a tax-option corporation, the credit may be allocated in proportion to the
14 ownership interest of each shareholder. Credits computed by a partnership or
15 limited liability company shall be allocated to partners or members as provided in
16 a written agreement among the partners or members that is entered into no later
17 than the last day of the taxable year of the partnership or limited liability company,
18 for which the credit is claimed. Any partner or member who claims the credit as
19 provided under this paragraph, for which the credit is claimed shall attach a copy of
20 the agreement to the tax return on which the credit is claimed. A person claiming
21 the credit as provided under this paragraph is solely responsible for any tax liability
22 arising from a dispute with the department of revenue related to claiming the credit.

23 **SECTION 5.** 71.07^v(9m) (g) of the statutes is created to read:

24 71.07 (9m) (g) 1. If a person who claims the credit under this subsection elects
25 to claim the credit based on claiming amounts for expenditures as the expenditures

BILL**SECTION 5**

1 are paid, rather than when the rehabilitation work is completed, the person shall file
2 an election form with the department, in the manner prescribed by the department.

3 2. Notwithstanding s. 71.77, the department may adjust or disallow the credit
4 claimed under this subsection within 4 years after the date that the state historical
5 society notifies the department that the expenditures for which the credit was
6 claimed do not comply with the standards for certification promulgated under s.
7 44.02 (24).

8 **SECTION 6.** 71.28[√] (6) (c) of the statutes is amended to read:

9 71.28 (6) (c) No person may claim the credit under this subsection unless the
10 claimant includes with the claimant's return evidence that the rehabilitation was
11 approved recommended by the state historic preservation officer for approval by the
12 secretary of the interior under 36 CFR 67.6 before the physical work of construction,
13 or destruction in preparation for construction, began and that the rehabilitation was
14 approved by the secretary of the interior under 36 CFR 67.6.

15 **SECTION 7.** 71.28[√] (6) (cm) of the statutes is created to read:

16 71.28 (6) (cm) Any credit claimed under this subsection for Wisconsin purposes
17 shall be claimed at the same time as for federal purposes.

18 **SECTION 8.** 71.28[√] (6) (f) of the statutes is amended to read:

19 71.28 (6) (f) A partnership, limited liability company, or tax-option corporation
20 may not claim the credit under this section subsection. The individual partners of
21 a partnership, members of a limited liability company, or shareholders in a
22 tax-option corporation may claim the credit under this subsection based on eligible
23 costs incurred by the partnership, limited liability company, or tax-option
24 corporation, ~~in proportion to the ownership interest of each partner, member or~~
25 shareholder. The partnership, limited liability company, or tax-option corporation

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1 shall calculate the amount of the credit which may be claimed by each partner,
2 member, or shareholder and shall provide that information to the partner, member,
3 or shareholder. For shareholders of a tax-option corporation, the credit may be
4 allocated in proportion to the ownership interest of each shareholder. Credits
5 computed by a partnership or limited liability company shall be allocated to partners
6 or members as provided in a written agreement among the partners or members that
7 is entered into no later than the last day of the taxable year of the partnership or
8 limited liability company, for which the credit is claimed. Any partner or member
9 who claims the credit as provided under this paragraph shall attach a copy of the
10 agreement to the tax return on which the credit is claimed. A person claiming the
11 credit as provided under this paragraph is solely responsible for any tax liability
12 arising from a dispute with the department of revenue related to claiming the credit.

13 **SECTION 9.** 71.28[√](6) (g) of the statutes is created to read:

14 71.28 (6) (g) 1. If a person who claims the credit under this subsection elects
15 to claim the credit based on claiming amounts for expenditures as the expenditures
16 are paid, rather than when the rehabilitation work is completed, the person shall file
17 an election form with the department, in the manner prescribed by the department.

18 2. Notwithstanding s. 71.77, the department may adjust or disallow the credit
19 claimed under this subsection within 4 years after the date that the state historical
20 society notifies the department that the expenditures for which the credit was
21 claimed do not comply with the standards for certification promulgated under s.
22 44.02 (24).

23 **SECTION 10.** 71.47[√](6) (c) of the statutes is amended to read:

24 71.47 (6) (c) No person may claim the credit under this subsection unless the
25 claimant includes with the claimant's return evidence that the rehabilitation was

BILL**SECTION 10**

1 approved recommended by the state historic preservation officer for approval by the
2 secretary of the interior under 36 CFR 67.6 before the physical work of construction,
3 or destruction in preparation for construction, began and that the rehabilitation was
4 approved by the secretary of the interior under 36 CFR 67.6.

5 **SECTION 11.** 71.47[✓](6) (cm) of the statutes is created to read:

6 71.47 (6) (cm) Any credit claimed under this subsection for Wisconsin purposes
7 shall be claimed at the same time as for federal purposes.

8 **SECTION 12.** 71.47[✓](6) (f) of the statutes is amended to read:

9 71.47 (6) (f) A partnership, limited liability company, or tax-option corporation
10 may not claim the credit under this subsection. The individual partners of a
11 partnership, members of a limited liability company, or shareholders in a tax-option
12 corporation may claim the credit under this subsection based on eligible costs
13 incurred by the partnership, limited liability company, or tax-option corporation, in
14 proportion to the ownership interest of each partner, member or shareholder. The
15 partnership, limited liability company, or tax-option corporation shall calculate the
16 amount of the credit which may be claimed by each partner, member, or shareholder
17 and shall provide that information to the partner, member, or shareholder. For
18 shareholders of a tax-option corporation, the credit may be allocated in proportion
19 to the ownership interest of each shareholder. Credits computed by a partnership
20 or limited liability company shall be allocated to partners or members as provided
21 in a written agreement among the partners or members that is entered into no later
22 than the last day of the taxable year of the partnership or limited liability company,
23 for which the credit is claimed. Any partner or member who claims the credit as
24 provided under this paragraph shall attach a copy of the agreement to the tax return
25 on which the credit is claimed. A person claiming the credit as provided under this

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1 paragraph is solely responsible for any tax liability arising from a dispute with the
2 department of revenue related to claiming the credit.

3 **SECTION 13.** 71.47[✓](6) (g) of the statutes is created to read:

4 71.47 (6) (g) 1. If a person who claims the credit under this subsection elects
5 to claim the credit based on claiming amounts for expenditures as the expenditures
6 are paid, rather than when the rehabilitation work is completed, the person shall file
7 an election form with the department, in the manner prescribed by the department.

8 2. Notwithstanding s. 71.77, the department may adjust or disallow the credit
9 claimed under this subsection within 4 years after the date that the state historical
10 society notifies the department that the expenditures for which the credit was
11 claimed do not comply with the standards for certification promulgated under s.
12 44.02 (24).

13 **SECTION 14. Initial applicability.**

14 (1) SUPPLEMENT TO FEDERAL HISTORIC REHABILITATION CREDIT. This act first
15 applies to taxable years beginning on January 1, 2009, and to property placed in
16 service on or after June 30, 2008.

17

(END)

Basford, Sarah

From: Houdek, Nathan
Sent: Tuesday, January 13, 2009 1:39 PM
To: Basford, Sarah
Subject: FW: LRB 09-0033/2 Topic: Supplemental historic rehabilitation tax credit

Sarah,

Please see the e-mail from Luke Bacher in Rep. Davis' office below. Rep. Davis is the original requestor of this draft.

Let me know if you need anything else.

Thanks,

Nathan

Nathan Houdek
Office of Representative Jennifer Shilling
95th Assembly District
phone 608.266.5780
toll-free 888.534.0095
fax 608.282.3695

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From: Bacher, Luke
Sent: Tuesday, January 13, 2009 1:27 PM
To: Kreye, Joseph
Cc: Houdek, Nathan
Subject: LRB 09-0033/2 Topic: Supplemental historic rehabilitation tax credit

Joe -

Can you release this to Shilling and Lassa?

They are the new authors of this legislation and they have permission to jacket our bill as their own.

-Luke

Luke Bacher
Research Assistant
State Representative Brett Davis
Phone: (608)-266-1192
Toll Free: 888-534-0080
Fax: 608-282-3680
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<http://www.brettdavis.us>