

2009 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB904)

Received: 04/17/2010

Received By: jkreye

Wanted: As time permits

Companion to LRB:

For: Donna Seidel (608) 266-0654

By/Representing: chris

May Contact:

Drafter: jkreye

Subject: Tax, Business - credits

Addl. Drafters:

Extra Copies:

Submit via email: YES

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

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Loans for energy improvements; water consumption 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 04/17/2010	csicilia 04/19/2010		_____			
/1	jkreye 04/19/2010	nnatzke 04/19/2010	rschluet 04/19/2010	_____	lparisi 04/19/2010	lparisi 04/19/2010	
/2	jkreye 04/20/2010	nnatzke 04/20/2010	phenry 04/20/2010	_____	lparisi 04/20/2010	lparisi 04/20/2010	

FE Sent For:

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/?	jkreye 04/17/2010	csicilia 04/19/2010		_____			
/1	jkreye 04/19/2010	nmatzke 04/19/2010	rschlue 04/19/2010	_____	lparisi 04/19/2010	lparisi 04/19/2010	

jkreye

1/2 nwn
4/20

4
1/20
pk

4
1/20
pk/mo

FE Sent For:

<END>

2009 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB904)

Received: 04/17/2010

Wanted: As time permits

For: Michael Sheridan (608) 266-7503

May Contact:

Subject: Tax, Business - credits

Received By: jkreye

Companion to LRB:

By/Representing: lisa

Drafter: jkreye

Addl. Drafters:

Extra Copies:

Submit via email: YES

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

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

Pre Topic:

No specific pre topic given

Topic:

Loans for energy improvements; water consumption 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 04/17/2010	csicilia 04/19/2010		_____			
/1	jkreye 04/19/2010	nmatzke 04/19/2010	rschluet 04/19/2010	_____	lparisi 04/19/2010	lparisi 04/19/2010	

FE Sent For:

<END>

2009 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB904)

Received: 04/17/2010

Received By: jkreye

Wanted: As time permits

Companion to LRB:

For: Michael Sheridan (608) 266-7503

By/Representing: lisa

May Contact:

Drafter: jkreye

Subject: Tax, Business - credits

Addl. Drafters:

Extra Copies:

Submit via email: YES

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

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

Pre Topic:

No specific pre topic given


Topic:

Loans for energy improvements; water consumption 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>
1/?	jkreye	1 nwn 4/19		_____	_____		

FE Sent For:

<END>

Kreye, Joseph

From: Lundquist, Lisa
Sent: Friday, April 16, 2010 4:08 PM
To: Kreye, Joseph
Cc: Shannon-Bradley, Summer; McKinny, Chris
Subject: amendment request

Attachments: 20100416152623358.pdf

Hi Joe,

Thank you again for your help earlier ☺ I have got another request for you. I believe you drafted LRBa2217/1 regarding Milwaukee waterworks as an amendment to AB409 for Richards. We are looking to get similar language drafted to AB904.

I think the language you drafted is still pretty good but we would like to modify it with some language that creates a staggered tax credit based on the percentage increase in their rates.

Here is the language I am referring to:



2010041615262335
8.pdf (324 KB)...

I am cc'ing Summer in the Plale office on this request because I believe she will be making a similar amendment request for SB651. I am also cc'ing Chris McKinny in Rep. Seidel's office so that he can assist me with this request.

Thank you!

Lisa
Office of Speaker Sheridan
266-3387

2009 usage cost

\$100,000
\$200,000

Trigger:

If annual water usage costs in any year are 20-30% higher than 2009 usage costs – tax credit of \$100,000

If annual water usage costs in any year are 30-40% higher than 2009 usage costs – tax credit of \$200,000

If annual water usage costs in any year are 40% or more higher than 2009 usage costs- tax credit of \$300,000





State of Wisconsin
2009 - 2010 LEGISLATURE

LRBa2217/1
JK:nwn:md

Richards

ASSEMBLY AMENDMENT ,
TO 2009 SENATE BILL 409

1 At the locations indicated, amend the bill, as shown by senate substitute
2 amendment 1, as follows:

- 3 1. Page 1, line 10: after "businesses," insert "a water consumption tax credit;"
4 2. Page 9, line 1: after "~~(5r)~~," insert "(5rm)."
5 3. Page 11, line 25: after that line insert:

6 "SECTION 25d. 71.07 (5rm) of the statutes is created to read:

7 71.07 (5rm) WATER CONSUMPTION CREDIT. (a) *Definitions*. In this subsection:

- 8 1. "Ccf" means 100 cubic feet.
9 2. "Claimant" means a person who files a claim under this subsection, who is
10 an industrial customer of a municipal water utility that is located in a federal
11 renewal community zone in this state, and whose average annual water
12 consumption from that utility for a 24-month period exceeds 1,000,000 Ccf.

1 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
2 taxable years beginning after December 31, 2009, a claimant may claim as a credit
3 against the tax imposed under s. 71.02, up to the amount of the tax, an amount equal
4 to the claimant's water consumption in the taxable year, measured by Ccf, multiplied
5 by \$0.25, except that the maximum amount that a claimant may claim in a taxable
6 year under this subsection is \$300,000.

7 (c) *Limitations.* Partnerships, limited liability companies, and tax-option
8 corporations may not claim the credit under this subsection, but the eligibility for,
9 and the amount of, the credit are based on their payment of amounts under par. (b).
10 A partnership, limited liability company, or tax-option corporation shall compute
11 the amount of credit that each of its partners, members, or shareholders may claim
12 and shall provide that information to each of them. Partners, members of limited
13 liability companies, and shareholders of tax-option corporations may claim the
14 credit in proportion to their ownership interests.

15 (d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under
16 s. 71.28 (4), applies to the credit under this subsection.”.

17 **4.** Page 12, line 2: after that line insert:

18 “**SECTION 26d.** 71.10 (4) (ce) of the statutes is created to read:

19 71.10 (4) (ce) Water consumption credit under s. 71.07 (5rm).”.

20 **5.** Page 12, line 7: after “(5r),” insert “(5rm).”.

21 **6.** Page 12, line 13: after “(5r),” insert “(5rm).”.

22 **7.** Page 15, line 4: after that line insert:

23 “**SECTION 29d.** 71.28 (5rm) of the statutes is created to read:

24 71.28 (5rm) WATER CONSUMPTION CREDIT. (a) *Definitions.* In this subsection:

1 1. “Ccf” means 100 cubic feet.

2 2. “Claimant” means a person who files a claim under this subsection, who is
3 an industrial customer of a municipal water utility that is located in a federal
4 renewal community zone in this state, and whose average annual water
5 consumption from that utility for a 24-month period exceeds 1,000,000 Ccf.

6 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
7 taxable years beginning after December 31, 2009, a claimant may claim as a credit
8 against the tax imposed under s. 71.23, up to the amount of the tax, an amount equal
9 to the claimant’s water consumption in the taxable year, measured by Ccf, multiplied
10 by \$0.25, except that the maximum amount that a claimant may claim in a taxable
11 year under this subsection is \$300,000.

12 (c) *Limitations.* Partnerships, limited liability companies, and tax-option
13 corporations may not claim the credit under this subsection, but the eligibility for,
14 and the amount of, the credit are based on their payment of amounts under par. (b).
15 A partnership, limited liability company, or tax-option corporation shall compute
16 the amount of credit that each of its partners, members, or shareholders may claim
17 and shall provide that information to each of them. Partners, members of limited
18 liability companies, and shareholders of tax-option corporations may claim the
19 credit in proportion to their ownership interests.

20 (d) *Administration.* Subsection (4) (e) to (h), as it applies to the credit under
21 sub. (4), applies to the credit under this subsection.”.

22 **8.** Page 15, line 6: after that line insert:

23 “SECTION 30d. 71.30 (3) (ce) of the statutes is created to read:

24 71.30 (3) (ce) Water consumption credit under s. 71.28 (5rm).”.

1 **9.** Page 15, line 11: after “(5r),” insert “(5rm).”

2 **10.** Page 15, line 17: after “(5r),” insert “(5rm).”

3 **11.** Page 18, line 8: after that line insert:

4 “**SECTION 33d.** 71.47 (5rm) of the statutes is created to read:

5 71.47 (5rm) WATER CONSUMPTION CREDIT. (a) *Definitions.* In this subsection:

6 1. “Ccf” means 100 cubic feet.

7 2. “Claimant” means a person who files a claim under this subsection, who is
8 an industrial customer of a municipal water utility that is located in a federal
9 renewal community zone in this state, and whose average annual water
10 consumption from that utility for a 24-month period exceeds 1,000,000 Ccf.

11 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
12 taxable years beginning after December 31, 2009, a claimant may claim as a credit
13 against the tax imposed under s. 71.43, up to the amount of the tax, an amount equal
14 to the claimant’s water consumption in the taxable year, measured by Ccf, multiplied
15 by \$0.25, except that the maximum amount that a claimant may claim in a taxable
16 year under this subsection is \$300,000.

17 (c) *Limitations.* Partnerships, limited liability companies, and tax-option
18 corporations may not claim the credit under this subsection, but the eligibility for,
19 and the amount of, the credit are based on their payment of amounts under par. (b).
20 A partnership, limited liability company, or tax-option corporation shall compute
21 the amount of credit that each of its partners, members, or shareholders may claim
22 and shall provide that information to each of them. Partners, members of limited
23 liability companies, and shareholders of tax-option corporations may claim the
24 credit in proportion to their ownership interests.

1 (d) *Administration*. Section 71.28 (4) (e) to (h), as it applies to the credit under
2 s. 71.28 (4), applies to the credit under this subsection.”.

3 **12.** Page 18, line 10: after that line insert:

4 “SECTION 34d. 71.49 (1) (ce) of the statutes is created to read:
5 71.49 (1) (ce) Water consumption credit under s. 71.47 (5rm).”.

6 **13.** Page 18, line 22: after “(5r),” insert “(5rm).”.

7 (END)

Kreye, Joseph

From: McKinny, Chris
Sent: Monday, April 19, 2010 12:27 PM
To: Kreye, Joseph; Hanaman, Cathlene
Cc: Shannon-Bradley, Summer; Lundquist, Lisa
Subject: RE: Green to Gold Amendment

Thank you very much Joe, I appreciate it.

From: Kreye, Joseph
Sent: Monday, April 19, 2010 12:22 PM
To: McKinny, Chris; Hanaman, Cathlene
Cc: Shannon-Bradley, Summer; Lundquist, Lisa
Subject: RE: Green to Gold Amendment

I'll redraft the amendment accordingly and send it off.

Joe

From: McKinny, Chris
Sent: Mon 4/19/2010 8:51 AM
To: Hanaman, Cathlene; Kreye, Joseph
Cc: Shannon-Bradley, Summer; Lundquist, Lisa
Subject: Green to Gold Amendment

Hi Cathlene and Joe,

I'm sorry to make this issue even more complicated, but the City of Milwaukee thought that the language below would be easier to use than the tiered system that we previously discussed for the amendment:

" A tax credit equal to 50% of the increase in water usage costs relative to water usage costs in 2009, not to exceed \$300,000. "

Does this make more sense? Please let me know if you have any questions and I apologize for the 11th hour change of plans. Thanks again for everything.

Chris McKinny

Office of Rep. Donna Seidel

Assistant Majority Leader

608-266-0654 (office)

1-888-534-0085 (toll free)

4/19/2010



PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

ASSEMBLY AMENDMENT ,

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 2009 ASSEMBLY BILL 904

in SAT 4-17

*due Mon
4-19*

D-N

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 1, line 6: after "programs;" insert "a water consumption tax credit;"

3 **2.** Page 4, line 8: after that line insert:

4 "SECTION 8b. 71.05 (6) (a) 15. of the statutes, as affected by 2009 Wisconsin Act
5 28, is amended to read:

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

INSERT A

1 amount to the partnership's, company's, or tax-option corporation's income under s.
2 71.21 (4) or 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, 483; 2007 a. 20, 96, 226; 2009 a. 2, 28.

3 **SECTION 8e.** 71.21 (4) of the statutes, as affected by 2009 Wisconsin Act 28, is
4 amended to read:

5 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
6 (2dj), (2dL), (2dm), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3s), (3t), (3w),
7 (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5rm) and (8r) and passed through to partners
8 shall be added to the 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; 2009 a. 2, 28.

9 **SECTION 8f.** 71.26 (2) (a) 4. of the statutes, as affected by 2009 Wisconsin Act
10 28, is amended to read:

11 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dd),
12 (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3t),
13 (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5rm) and (8r) and not passed through by a
14 partnership, limited liability company, or tax-option corporation that has added that
15 amount to the partnership's, limited liability company's, or tax-option corporation's
16 income under 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; 2009 a. 2/28, 161, 165, 180, 183; s. 13.92 (2) (i).

17 **SECTION 8i.** 71.34 (1k) (g) of the statutes, as affected by 2009 Wisconsin Act 28,
18 is amended to read:

19 71.34 (1k) (g) An addition shall be made for credits computed by a tax-option
20 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy),

INSERT B

1 (3), (3g), (3h), (3n), (3p), (3q), (3r), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5rm)✓
 2 and (8r) and passed through to shareholders.

History: 1987 a. 312; 1987 a. 411 ss. 18, 23, 146; 1989 a. 31, 336; 1991 a. 39, 269; 1993 a. 16, 437; 1995 a. 27, 380, 428; 1997 a. 27, 37, 237; 1999 a. 9, 194; 2001 a. 16, 109; 2003 a. 33, 99, 135, 255, 326; 2005 a. 25, 49, 74, 361, 479, 483; 2007 a. 20, 96, 226; 2009 a. 2, 28, 161, 183; s. 13.92 (2) (i).

3 **SECTION 8j.** 71.45 (2) (a) 10. of the statutes, as affected by 2009 Wisconsin Act
 4 28, is amended to read:

5 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
 6 computed under s. 71.47 (1dd) to (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3w), (5e), (5f),
 7 (5g), (5h), (5i), (5j), (5k), (5rm)✓, and (8r) and not passed through by a partnership,
 8 limited liability company, or tax-option corporation that has added that amount to
 9 the partnership's, limited liability company's, or tax-option corporation's income
 10 under s. 71.21 (4) or 71.34 (1k) (g) and the amount of credit computed under s. 71.47
 11 (1), (3), (3t), (4), (4m), and (5).✓

History: 1987 a. 312; 1989 a. 31, 336, 359; 1991 a. 37, 39, 269; 1993 a. 16, 112, 263, 437; 1995 a. 27, 56, 371, 380; 1997 a. 27, 37, 237; 1999 a. 9, 65; 1999 a. 150 s. 672; 1999 a. 167, 194; 2001 a. 16, 38, 109; 2003 a. 37, 85, 99, 135, 255, 326; 2005 a. 74, 297, 335, 361, 479, 483; 2007 a. 20, 96, 226; 2009 a. 2, 28, 165.

12 **SECTION 8m.** 77.92 (4) of the statutes, as affected by 2009 Wisconsin Act 28, is
 13 amended to read:

14 77.92 (4) "Net business income," with respect to a partnership, means taxable
 15 income as calculated under section 703 of the Internal Revenue Code; plus the items
 16 of income and gain under section 702 of the Internal Revenue Code, including taxable
 17 state and municipal bond interest and excluding nontaxable interest income or
 18 dividend income from federal government obligations; minus the items of loss and
 19 deduction under section 702 of the Internal Revenue Code, except items that are not
 20 deductible under s. 71.21; plus guaranteed payments to partners under section 707
 21 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),
 22 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3s),
 23 (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5rm)✓, and (8r); and plus or minus, as

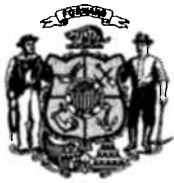
1 appropriate, transitional adjustments, depreciation differences, and basis
2 differences under s. 71.05 (13), (15), (16), (17), and (19); but excluding income, gain,
3 loss, and deductions from farming. "Net business income," with respect to a natural
4 person, estate, or trust, means profit from a trade or business for federal income tax
5 purposes and includes net income derived as an employee as defined in section 3121
6 (d) (3) of the Internal Revenue 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; 2009 a. 2, 28.

7

(END)

D-note



**ASSEMBLY AMENDMENT ,
TO 2009 SENATE BILL 409**

1 At the locations indicated, amend the bill, as shown by senate substitute
2 amendment 1, as follows:

- 3 **1.** Page 1, line 10: after "businesses;" insert "a water consumption tax credit;" ✓
4 **2.** Page 9, line 1: after "(5r)," insert "(5rm)." ✓
5 **3.** Page 11, line 25: after that line insert:

6 ~~SECTION 25d~~ 71.07 (5rm) of the statutes is created to read:

7 71.07 (5rm) WATER CONSUMPTION CREDIT. (a) *Definitions*. In this subsection:

- 8 1. "Ccf" means 100 cubic feet.
9 2. "Claimant" means a person who files a claim under this subsection, who is
10 an industrial customer of a municipal water utility that is located in a federal
11 renewal community zone in this state, and whose average annual water
12 consumption from that utility for a 24-month period exceeds 1,000,000 Ccf.

IN/ART
A

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1 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
 2 taxable years beginning after December 31, 2009, a claimant may claim as a credit
 3 against the tax imposed under s. 71.02, up to the amount of the tax, ^{the} an amount equal
 4 to the claimant's water consumption in the taxable year, measured by Ccf, multiplied
 5 by \$0.25 ~~except~~ ^{stet.} that the maximum amount that a claimant may claim in a taxable
 6 year under this subsection is \$300,000.

INSERT 2-5

7 (c) *Limitations.* Partnerships, limited liability companies, and tax-option
 8 corporations may not claim the credit under this subsection, but the eligibility for,
 9 and the amount of, the credit are based on their payment of amounts under par. (b).
 10 A partnership, limited liability company, or tax-option corporation shall compute
 11 the amount of credit that each of its partners, members, or shareholders may claim
 12 and shall provide that information to each of them. Partners, members of limited
 13 liability companies, and shareholders of tax-option corporations may claim the
 14 credit in proportion to their ownership interests.

INSERT 2-6

15 (d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under
 16 s. 71.28 (4), applies to the credit under this subsection.

4. Page 12, line 2: after that line insert:

18 ~~SECTION 26d~~ 71.10 (4) (ce) of the statutes is created to read:
 19 71.10 (4) (ce) Water consumption credit under s. 71.07 (5rm).

end of insert A

5. Page 12, line 7: after "(5r)," insert "(5rm)."

6. Page 12, line 13: after "(5r)," insert "(5rm)."

7. Page 15, line 4: after that line insert:

23 ~~SECTION 29d~~ 71.28 (5rm) of the statutes is created to read:
 24 71.28 (5rm) WATER CONSUMPTION CREDIT. (a) *Definitions.* In this subsection:

INSERT B

P

1 1. "Ccf" means 100 cubic feet.

2 2. "Claimant" means a person who files a claim under this subsection, who is
3 an industrial customer of a municipal water utility that is located in a federal
4 renewal community zone in this state, and whose average annual water
5 consumption from that utility for a 24-month period exceeds 1,000,000 Ccf.

6 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
7 taxable years beginning after December 31, 2009, a claimant may claim as a credit
8 against the tax imposed under s. 71.23, up to the amount of the tax, ^{of the} ~~an amount~~ equal
9 to the claimant's water consumption in the taxable year, measured by Ccf, multiplied
10 by \$0.25 ~~except~~ ^{stays} that the maximum amount that a claimant may claim in a taxable
11 year under this subsection is \$300,000.

INSERT
3-10

INSERT
3-11

12 (c) *Limitations.* Partnerships, limited liability companies, and tax-option
13 corporations may not claim the credit under this subsection, but the eligibility for,
14 and the amount of, the credit are based on their payment of amounts under par. (b).
15 A partnership, limited liability company, or tax-option corporation shall compute
16 the amount of credit that each of its partners, members, or shareholders may claim
17 and shall provide that information to each of them. Partners, members of limited
18 liability companies, and shareholders of tax-option corporations may claim the
19 credit in proportion to their ownership interests.

20 (d) *Administration.* Subsection (4) (e) to (h), as it applies to the credit under
21 sub. (4), applies to the credit under this subsection.

22 8. Page 15, line 6: after that line insert:

23 SECTION 306 71.30 (3) (ce) of the statutes is created to read:
24 71.30 (3) (ce) Water consumption credit under s. 71.28 (5rm).

end of insert P

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9. Page 15, line 11: after "(5r)," insert "(5rm)."

10. Page 15, line 17: after "(5r)," insert "(5rm)."

11. Page 18, line 8: after that line insert:

INSERT
C

SECTION 33d 71.47 (5rm) of the statutes is created to read:

71.47 (5rm) WATER CONSUMPTION CREDIT. (a) *Definitions*. In this subsection:

1. "Ccf" means 100 cubic feet.

2. "Claimant" means a person who files a claim under this subsection, who is an industrial customer of a municipal water utility that is located in a federal renewal community zone in this state, and whose average annual water consumption from that utility for a 24-month period exceeds 1,000,000 Ccf.

(b) *Filing claims*. Subject to the limitations provided in this subsection, for taxable years beginning after December 31, 2009, a claimant may claim as a credit against the tax imposed under s. 71.43, up to the amount of the tax, ^{of the} an amount equal

to the claimant's water consumption in the taxable year, measured by Ccf, multiplied by \$0.25, except that the maximum amount that a claimant may claim in a taxable year under this subsection is \$300,000.

INSERT
4-15

(c) *Limitations*. Partnerships, limited liability companies, and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit are based on their payment of amounts under par. (b).

INSERT
4-16

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



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

12. Page 18, line 10: after that line insert:

~~SECTION 34c.~~ 71.49 (1) (ce) of the statutes is created to read:
71.49 (1) (ce) Water consumption credit under s. 71.47 (5rm).

13. Page 18, line 22: after "(5r)," insert "(5rm)."

(END)

end of insert
C

**2009-2010 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBa2327/?ins
JK:.....

Insert 2 - 5

1 determined as follows[✓]

Insert 2 - 6

2 1. Subtract the claimant's 2009 water usage costs from the claimant's water
3 usage costs for the taxable year.[✓]

4 2. If the amount determined under subd. 1.[✓] is a positive number, multiply that
5 amount by 0.50.[✓]

Insert 3 - 10

6 determined as follows[✓]

Insert 3 - 11

7 1. Subtract the claimant's 2009 water usage costs from the claimant's water
8 usage costs for the taxable year.[✓]

9 2. If the amount determined under subd. 1.[✓] is a positive number, multiply that
10 amount by 0.50.[✓]

Insert 4 - 15

11 determined as follows[✓]

Insert 4 - 16

12 1. Subtract the claimant's 2009 water usage costs from the claimant's water
13 usage costs for the taxable year.[✓]

14 2. If the amount determined under subd. 1.[✓] is a positive number, multiply that
15 amount by 0.50.[✓]

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBa2327/dn

JK:l:...

RemotK nwn

Date

Representative Sheridan:

Please review this draft carefully to ensure that it is consistent with your intent. ✓

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

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

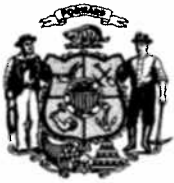
LRBa2327/1dn
JK:nwn:rs

April 19, 2010

Representative Sheridan:

Please review this draft carefully to ensure that it is consistent with your intent.

Joseph T. Kreye
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State of Wisconsin
2009 - 2010 LEGISLATURE

LRBa2327/1²
JK:nwn:rs

RMR

ASSEMBLY AMENDMENT,
TO ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 2009 ASSEMBLY BILL 904

Now

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 1, line 6: after "programs;" insert "a water consumption tax credit;"

3 2. Page 4, line 8: after that line insert:

4 "SECTION 8b. 71.05 (6) (a) 15. of the statutes, as affected by 2009 Wisconsin Act
5 28, is amended to read:

6 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),
7 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3s),
8 (3t), (3w), (5e), (5f), (5h), (5i), (5j), (5k), (5rm), and (8r) and not passed through by a
9 partnership, limited liability company, or tax-option corporation that has added that
10 amount to the partnership's, company's, or tax-option corporation's income under s.
11 71.21 (4) or 71.34 (1k) (g).

12 SECTION 8c. 71.07 (5rm) of the statutes is created to read:

and before January 1, 2020

1 71.07 (5rm) WATER CONSUMPTION CREDIT. (a) *Definitions.* In this subsection:

2 1. "Ccf" means 100 cubic feet.

3 2. "Claimant" means a person who files a claim under this subsection, who is
4 an industrial customer of a municipal water utility that is located in a federal
5 renewal community zone in this state, and whose average annual water
6 consumption from that utility for a 24-month period exceeds 1,000,000 Ccf.

7 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
8 taxable years beginning after December 31, 2009, a claimant may claim as a credit
9 against the tax imposed under s. 71.02, up to the amount of the tax, the amount
10 determined as follows, except that the maximum amount that a claimant may claim
11 in a taxable year under this subsection is \$300,000:

12 1. Subtract the claimant's 2009 water usage costs from the claimant's water
13 usage costs for the taxable year.

14 2. If the amount determined under subd. 1. is a positive number, multiply that
15 amount by 0.50.

16 (c) *Limitations.* Partnerships, limited liability companies, and tax-option
17 corporations may not claim the credit under this subsection, but the eligibility for,
18 and the amount of, the credit are based on their payment of amounts under par. (b).
19 A partnership, limited liability company, or tax-option corporation shall compute
20 the amount of credit that each of its partners, members, or shareholders may claim
21 and shall provide that information to each of them. Partners, members of limited
22 liability companies, and shareholders of tax-option corporations may claim the
23 credit in proportion to their ownership interests.

24 (d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under
25 s. 71.28 (4), applies to the credit under this subsection.

1 **SECTION 8d.** 71.10 (4) (ce) of the statutes is created to read:

2 71.10 (4) (ce) Water consumption credit under s. 71.07 (5rm).

3 **SECTION 8e.** 71.21 (4) of the statutes, as affected by 2009 Wisconsin Act 28, is
4 amended to read:

5 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
6 (2dj), (2dL), (2dm), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3s), (3t), (3w),
7 (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5rm), and (8r) and passed through to partners
8 shall be added to the partnership's income.

9 **SECTION 8f.** 71.26 (2) (a) 4. of the statutes, as affected by 2009 Wisconsin Act
10 28, is amended to read:

11 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dd),
12 (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3t),
13 (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5rm), and (8r) and not passed through by a
14 partnership, limited liability company, or tax-option corporation that has added that
15 amount to the partnership's, limited liability company's, or tax-option corporation's
16 income under s. 71.21 (4) or 71.34 (1k) (g).

17 **SECTION 8g.** 71.28 (5rm) of the statutes is created to read:

18 71.28 (5rm) WATER CONSUMPTION CREDIT. (a) *Definitions.* In this subsection:

19 1. "Ccf" means 100 cubic feet.

20 2. "Claimant" means a person who files a claim under this subsection, who is
21 an industrial customer of a municipal water utility that is located in a federal
22 renewal community zone in this state, and whose average annual water
23 consumption from that utility for a 24-month period exceeds 1,000,000 Ccf.

24 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
25 taxable years beginning after December 31, 2009, a claimant may claim as a credit

and before January 1, 2020,

1 against the tax imposed under s. 71.23, up to the amount of the tax, the amount
2 determined as follows, except that the maximum amount that a claimant may claim
3 in a taxable year under this subsection is \$300,000:

4 1. Subtract the claimant's 2009 water usage costs from the claimant's water
5 usage costs for the taxable year.

6 2. If the amount determined under subd. 1. is a positive number, multiply that
7 amount by 0.50.

8 (c) *Limitations.* Partnerships, limited liability companies, and tax-option
9 corporations may not claim the credit under this subsection, but the eligibility for,
10 and the amount of, the credit are based on their payment of amounts under par. (b).
11 A partnership, limited liability company, or tax-option corporation shall compute
12 the amount of credit that each of its partners, members, or shareholders may claim
13 and shall provide that information to each of them. Partners, members of limited
14 liability companies, and shareholders of tax-option corporations may claim the
15 credit in proportion to their ownership interests.

16 (d) *Administration.* Subsection (4) (e) to (h), as it applies to the credit under
17 sub. (4), applies to the credit under this subsection.

18 **SECTION 8h.** 71.30 (3) (ce) of the statutes is created to read:

19 71.30 (3) (ce) Water consumption credit under s. 71.28 (5rm).

20 **SECTION 8i.** 71.34 (1k) (g) of the statutes, as affected by 2009 Wisconsin Act 28,
21 is amended to read:

22 71.34 (1k) (g) An addition shall be made for credits computed by a tax-option
23 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy),
24 (3), (3g), (3h), (3n), (3p), (3q), (3r), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5rm),
25 and (8r) and passed through to shareholders.

1 **SECTION 8j.** 71.45 (2) (a) 10. of the statutes, as affected by 2009 Wisconsin Act
2 28, is amended to read:

3 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
4 computed under s. 71.47 (1dd) to (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3w), (5e), (5f),
5 (5g), (5h), (5i), (5j), (5k), (5rm), and (8r) and not passed through by a partnership,
6 limited liability company, or tax-option corporation that has added that amount to
7 the partnership's, limited liability company's, or tax-option corporation's income
8 under s. 71.21 (4) or 71.34 (1k) (g) and the amount of credit computed under s. 71.47
9 (1), (3), (3t), (4), (4m), and (5).

10 **SECTION 8k.** 71.47 (5rm) of the statutes is created to read:

11 71.47 (5rm) WATER CONSUMPTION CREDIT. (a) *Definitions.* In this subsection:

12 1. "Ccf" means 100 cubic feet.

13 2. "Claimant" means a person who files a claim under this subsection, who is
14 an industrial customer of a municipal water utility that is located in a federal
15 renewal community zone in this state, and whose average annual water
16 consumption from that utility for a 24-month period exceeds 1,000,000 Ccf.

17 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
18 taxable years beginning after December 31, 2009, a claimant may claim as a credit
19 against the tax imposed under s. 71.43, up to the amount of the tax, the amount
20 determined as follows, except that the maximum amount that a claimant may claim
21 in a taxable year under this subsection is \$300,000:

22 1. Subtract the claimant's 2009 water usage costs from the claimant's water
23 usage costs for the taxable year.

24 2. If the amount determined under subd. 1. is a positive number, multiply that
25 amount by 0.50.

and before January 1, 2020,

1 (c) *Limitations.* Partnerships, limited liability companies, and tax-option
2 corporations may not claim the credit under this subsection, but the eligibility for,
3 and the amount of, the credit are based on their payment of amounts under par. (b).
4 A partnership, limited liability company, or tax-option corporation shall compute
5 the amount of credit that each of its partners, members, or shareholders may claim
6 and shall provide that information to each of them. Partners, members of limited
7 liability companies, and shareholders of tax-option corporations may claim the
8 credit in proportion to their ownership interests.

9 (d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under
10 s. 71.28 (4), applies to the credit under this subsection.

11 **SECTION 8L.** 71.49 (1) (ce) of the statutes is created to read:

12 71.49 (1) (ce) Water consumption credit under s. 71.47 (5rm).

13 **SECTION 8m.** 77.92 (4) of the statutes, as affected by 2009 Wisconsin Act 28, is
14 amended to read:

15 77.92 (4) "Net business income," with respect to a partnership, means taxable
16 income as calculated under section 703 of the Internal Revenue Code; plus the items
17 of income and gain under section 702 of the Internal Revenue Code, including taxable
18 state and municipal bond interest and excluding nontaxable interest income or
19 dividend income from federal government obligations; minus the items of loss and
20 deduction under section 702 of the Internal Revenue Code, except items that are not
21 deductible under s. 71.21; plus guaranteed payments to partners under section 707
22 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),
23 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3s),
24 (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5rm), and (8r); and plus or minus, as
25 appropriate, transitional adjustments, depreciation differences, and basis

1 differences under s. 71.05 (13), (15), (16), (17), and (19); but excluding income, gain,
2 loss, and deductions from farming. "Net business income," with respect to a natural
3 person, estate, or trust, means profit from a trade or business for federal income tax
4 purposes and includes net income derived as an employee as defined in section 3121
5 (d) (3) of the Internal Revenue Code."

6

(END)