

1 **SECTION 1707.** 71.47 (2m) (a) 4. of the statutes is amended to read:

2 71.47 (2m) (a) 4. "Gross farm profits" means gross receipts, excluding rent,
3 from agricultural use, as defined in s. 91.01 (1), 2007 stats., including the fair market
4 value at the time of disposition of payments in kind for placing land in federal
5 programs or payments from the federal dairy termination program under 7 USC
6 1446 (d), less the cost or other basis of livestock or other items purchased for resale
7 which are sold or otherwise disposed of during the taxable year.

8 **SECTION 1708.** 71.47 (2m) (e) of the statutes is created to read:

9 71.47 (2m) (e) *Sunset.* No new claim may be filed under this subsection for a
10 taxable year that begins after December 31, 2009.

11 **SECTION 1709.** 71.47 (3) (a) 1. of the statutes is amended to read:

12 71.47 (3) (a) 1. "Manufacturing" has the meaning given in s. 77.54 (6m), 2007
13 stats.

14 **SECTION 1709d.** 71.47 (3h) (b) of the statutes is amended to read:

15 71.47 (3h) (b) *Filing claims.* Subject to the limitations provided in this
16 subsection, for taxable years beginning after December 31, ~~2009~~ 2011, and before
17 January 1, ~~2013~~ 2015, for a claimant who produces at least 2,500,000 gallons of
18 biodiesel fuel in this state in the taxable year, a claimant may claim as a credit
19 against the tax imposed under s. 71.43, up to the amount of the tax, an amount that
20 is equal to the number of gallons of biodiesel fuel produced by the claimant in this
21 state in the taxable year multiplied by 10 cents. ✓

22 **SECTION 1720.** 71.47 (3q) of the statutes is created to read:

23 71.47 (3q) **JOBS TAX CREDIT.** (a) *Definitions.* In this subsection:

24 1. "Claimant" means a person certified to receive tax benefits under s. 560.2055
25 (2).

1 2. "Eligible employee" means an eligible employee under s. 560.2055 (1) (b) who
2 satisfies the wage requirements under s. 560.2055 (3) (a) or (b).

3 (b) *Filing claims.* Subject to the limitations provided in this subsection and s.
4 560.2055, for taxable years beginning after December 31, 2009, a claimant may claim
5 as a credit against the taxes imposed under s. 71.43 any of the following:

6 1. The amount of wages that the claimant paid to an eligible employee in the
7 taxable year, not to exceed 10 percent of such wages, as determined by the
8 department of commerce under s. 560.2055.

9 2. The amount of the costs incurred by the claimant in the taxable year, as
10 determined under s. 560.2055, to undertake the training activities described under
11 s. 560.2055 (3) (c).

12 (c) *Limitations.* 1. 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 2. No credit may be allowed under this subsection unless the claimant includes
21 with the claimant's return a copy of the claimant's certification for tax benefits under
22 s. 560.2055 (2).

23 3. The maximum amount of credits that may be awarded under this subsection
24 and ss. 71.07 (3q) and 71.28 (3q) for the period beginning on January 1, 2010, and
25 ending on June 30, 2013, is \$14,500,000. ✓

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

3 2. If the allowable amount of the claim under par. (b) exceeds the tax otherwise
4 due under s. 71.43, the amount of the claim not used to offset the tax due shall be
5 certified by the department of revenue to the department of administration for
6 payment by check, share draft, or other draft drawn from the appropriation account
7 under s. 20.835 (2) (bb), except that the amounts certified under this subdivision for
8 taxable years beginning after December 31, 2009, and before January 1, 2012, shall
9 be paid in taxable years beginning after December 31, 2011. ✓

10 **SECTION 1721m.** 71.47 (3w) (bm) 1. of the statutes, as affected by 2009
11 Wisconsin Act 11, is amended to read:

12 71.47 (3w) (bm) 1. In addition to the credits under par. (b) and ~~subd.~~ subds. 2.
13 and 3., and subject to the limitations provided in this subsection and s. 560.799, a
14 claimant may claim as a credit against the tax imposed under s. 71.43 an amount
15 equal to a percentage, as determined by the department of commerce, not to exceed
16 100 percent, of the amount the claimant paid in the taxable year to upgrade or
17 improve the job-related skills of any of the claimant's full-time employees, to train
18 any of the claimant's full-time employees on the use of job-related new technologies,
19 or to provide job-related training to any full-time employee whose employment with
20 the claimant represents the employee's first full-time job. This subdivision does not
21 apply to employees who do not work in an enterprise zone. ✓

22 **SECTION 1721n.** 71.47 (3w) (bm) 2. of the statutes, as created by 2009 Wisconsin
23 Act 11, is amended to read:

24 71.47 (3w) (bm) 2. In addition to the credits under par. (b) and ~~subd.~~ subds. 1.
25 and 3., and subject to the limitations provided in this subsection and s. 560.799, a

1 claimant may claim as a credit against the tax imposed under s. 71.43 an amount
2 equal to the percentage, as determined by the department of commerce under s.
3 560.799, not to exceed 7 percent, of the claimant's zone payroll paid in the taxable
4 year to all of the claimant's full-time employees whose annual wages are greater
5 than \$20,000 in a tier I county or municipality, not including the wages paid to the
6 employees determined under par. (b) 1., or greater than \$30,000 in a tier II county
7 or municipality, not including the wages paid to the employees determined under
8 par. (b) 1., and who the claimant employed in the enterprise zone in the taxable year,
9 if the total number of such employees is equal to or greater than the total number
10 of such employees in the base year. A claimant may claim a credit under this
11 subdivision for no more than 5 consecutive taxable years. ✓

12 **SECTION 1721p.** 71.47 (3w) (bm) 3. of the statutes is created to read:

13 71.47 (3w) (bm) 3. In addition to the credits under par. (b) and subds. 1. and
14 2., and subject to the limitations provided in this subsection and s. 560.799, for
15 taxable years beginning after December 31, 2008, a claimant may claim as a credit
16 against the tax imposed under s. 71.43 up to 10 percent of the claimant's significant
17 capital expenditures, as determined by the department of commerce under s.
18 560.799 (5m). ✓

19 **SECTION 1721r.** 71.47 (3w) (c) 3. of the statutes is amended to read:

20 71.47 (3w) (c) 3. No credit may be allowed under this subsection unless the
21 claimant includes with the claimant's return a copy of the claimant's certification for
22 tax benefits under s. 560.799 (5) or (5m). ✓

23 **SECTION 1722.** 71.47 (4m) of the statutes is created to read:

24 71.47 (4m) SUPER RESEARCH AND DEVELOPMENT CREDIT. (a) *Definition*. In this
25 subsection, "qualified research expenses" means qualified research expenses as

1 defined in section 41 of the Internal Revenue Code, except that “qualified research
2 expenses” includes only expenses incurred by the claimant for research conducted
3 in this state for the taxable year and except that “qualified research expenses” do not
4 include compensation used in computing the credits under subs. (1dj) and (1dx).

5 (b) *Credit.* Subject to the limitations provided under this subsection, for
6 taxable years beginning on or after January 1, 2011, a corporation may claim as a
7 credit against the tax imposed under s. 71.43, up to the amount of those taxes, an
8 amount equal to the amount of qualified research expenses paid or incurred by the
9 corporation in the taxable year that exceeds the amount calculated as follows:

10 1. Determine the average amount of the qualified research expenses paid or
11 incurred by the corporation in the 3 taxable years immediately preceding the taxable
12 year for which a credit is claimed under this subsection.

13 2. Multiply the amount determined under subd. 1. by 1.25.

14 (c) *Limitations.* Section 71.28 (4) (b) to (d) and (i), as it applies to the credit
15 under s. 71.28 (4), applies to the credit under this subsection.

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

18 2. If a credit computed under this subsection is not entirely offset against
19 Wisconsin income or franchise taxes otherwise due, the unused balance may be
20 carried forward and credited against Wisconsin income or franchise taxes otherwise
21 due for the following 5 taxable years to the extent not offset by these taxes otherwise
22 due in all intervening years between the year in which the expense was incurred and
23 the year in which the carry-forward credit is claimed.

24 **SECTION 1725.** 71.47 (5b) (d) 3. of the statutes is created to read:

1 71.47 (5b) (d) 3. For calendar years beginning after December 31, 2007, if an
2 investment for which a claimant claims a credit under par. (b) is held by the claimant
3 for less than 3 years, the claimant shall pay to the department, in the manner
4 prescribed by the department, the amount of the credit that the claimant received
5 related to the investment.

6 **SECTION 1725w.** 71.47 (5f) of the statutes is repealed and recreated to read:

7 71.47 (5f) FILM PRODUCTION SERVICES CREDIT. (a) *Definitions.* In this subsection:

8 1. "Accredited production" means a film, video, broadcast advertisement, or
9 television production, as approved by the department of commerce, for which the
10 aggregate salary and wages included in the cost of the production for the period
11 ending 12 months after the month in which the principal filming or taping of the
12 production begins exceeds \$100,000 for a production that is 30 minutes or longer or
13 \$50,000 for a production that is less than 30 minutes. "Accredited production" also
14 means an electronic game, as approved by the department of commerce, for which
15 the aggregate salary and wages included in the cost of the production for the period
16 ending 36 months after the month in which the principal programming, filming, or
17 taping of the production begins exceeds \$100,000. "Accredited production" does not
18 include any of the following, regardless of the production costs:

19 a. News, current events, or public programming or a program that includes
20 weather or market reports.

21 b. A talk show.

22 c. A production with respect to a questionnaire or contest.

23 d. A sports event or sports activity.

24 e. A gala presentation or awards show.

25 f. A finished production that solicits funds.

1 g. A production for which the production company is required under 18 USC
2 2257 to maintain records with respect to a performer portrayed in a single media or
3 multimedia program.

4 h. A production produced primarily for industrial, corporate, or institutional
5 purposes.

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

7 3. "Production expenditures" means any expenditures that are incurred in this
8 state and directly used to produce an accredited production, including expenditures
9 for set construction and operation, wardrobes, make-up, clothing accessories,
10 photography, sound recording, sound synchronization, sound mixing, lighting,
11 editing, film processing, film transferring, special effects, visual effects, renting or
12 leasing facilities or equipment, renting or leasing motor vehicles, food, lodging, and
13 any other similar expenditure as determined by the department of commerce.
14 "Production expenditures" do not include salary, wages, or labor-related contract
15 payments.

16 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
17 taxable years beginning after December 31, 2008, a claimant may claim as a credit
18 against the tax imposed under s. 71.43 any of the following amounts:

19 1. An amount equal to 25 percent of the salary, wages, or labor-related contract
20 payments paid by the claimant in the taxable year to individuals, including actors,
21 who were residents of this state at the time that they were paid and who worked on
22 an accredited production in this state, not including the salary, wages, or contract
23 payments paid to any individual who was paid more than \$250,000. A claimant may
24 claim an additional amount equal to 3 percent of any salary, wages, or contract
25 payments described in this subdivision if the individual who received the salary,

1 wages, or contract payments was also living in an economically distressed area of this
2 state, as determined by the department of commerce under s. 560.706 (2) (e), at the
3 time that the individual was paid.

4 2. An amount equal to 20 percent of the salary, wages, or labor-related contract
5 payments paid by the claimant in the taxable year to individuals who were not
6 residents of this state at the time that they were paid and who worked on an
7 accredited production in this state, not including the salary, wages, or contract
8 payments paid to any individual who was paid more than \$250,000 or paid as
9 above-the-line expenses to individuals such as nontechnical crew members,
10 producers, writers, casting directors, and actors.

11 3. An amount equal to 25 percent of the production expenditures paid by the
12 claimant in the taxable year to produce an accredited production.

13 (c) *Limitations.* 1. A claimant may not claim a credit under this subsection if
14 less than 35 percent of the total budget for the accredited production is spent in this
15 state.

16 2. The total amount of the credits that a claimant may claim under par. (b) 2.
17 in a taxable year shall not exceed an amount equal to the first \$20,000 of salary,
18 wages, or labor-related contract payments paid to each individual described in par.
19 (b) 2. in the taxable year.

20 3. No credit may be claimed under par. (b) 3. for the purchase of tangible
21 personal property or items, property, or goods under s. 77.52 (1) (b), (c), or (d) the sale
22 of which is not sourced to this state, as provided under s. 77.522.

23 4. The maximum amount of all credits that a claimant may claim under this
24 subsection for each accredited production is \$10,000,000.

1 5. The maximum amount of the credits that may be claimed under this
2 subsection and sub. (5h) and ss. 71.07 (5f) and (5h) and 71.28 (5f) and (5h) in fiscal
3 year 2009-10 is \$1,500,000. The maximum amount of the credits that may be
4 claimed under this subsection and sub. (5h) and ss. 71.07 (5f) and (5h) and 71.28 (5f)
5 and (5h) in fiscal year 2010-11 is \$1,500,000.

6 6. No credit may be allowed under this subsection unless the claimant files an
7 application with the department of commerce, at the time and in the manner
8 prescribed by the department of commerce, and the department of commerce
9 approves the application. The claimant shall submit a fee with the application in an
10 amount equal to 2 percent of the claimant's budgeted production expenditures or to
11 \$5,000, whichever is less. The claimant shall submit a copy of the approved
12 application with the claimant's return.

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

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

23 2. If the allowable amount of the claim under par. (b) exceeds the tax otherwise
24 due under s. 71.43 or no tax is due under s. 71.43, the amount of the claim not used
25 to offset the tax due shall be certified by the department of revenue to the department

1 of administration for payment by check, share draft, or other draft drawn from the
2 appropriation account under s. 20.835 (2) (bm).

3 **SECTION 1726x.** 71.47 (5h) (a) 2. of the statutes is amended to read:

4 71.47 (5h) (a) 2. "Film production company" means an entity that exclusively
5 creates films, videos, electronic games, broadcast advertisement, or television
6 productions, not including the productions described under s. 71.47 accredited
7 productions, as defined in sub. (5f) (a) 1. a. to h.

8 **SECTION 1726yb.** 71.47 (5h) (b) (intro.) of the statutes is amended to read:

9 71.47 (5h) (b) *Filing claims.* (intro.) Subject to the limitations provided in this
10 subsection, for taxable years beginning after December 31, ~~2007~~ 2008, a claimant
11 may claim as a credit against the tax imposed under s. 71.43, ~~up to the amount of the~~
12 ~~taxes, for the first 3 taxable years that the claimant is doing business in this state~~
13 ~~as a film production company~~, an amount that is equal to 15 percent of the following
14 that the claimant paid in the taxable year to establish or operate a film production
15 company in this state:

16 **SECTION 1726yc.** 71.47 (5h) (b) 1. of the statutes is amended to read:

17 71.47 (5h) (b) 1. The purchase price of depreciable, tangible personal property
18 and items, property, and goods under s. 77.52 (1) (b), (c), and (d), if the sale of the
19 tangible personal property, items, property, or goods is sourced to this state under s.
20 77.522.

21 **SECTION 1726yd.** 71.47 (5h) (c) 1. of the statutes is amended to read:

22 71.47 (5h) (c) 1. A claimant may claim the credit under par. (b) 1., if the tangible
23 personal property, or item, property, or good under s. 77.52 (1) (b), (c), or (d), is
24 purchased after December 31, ~~2007~~ 2008, and the tangible personal property, item,

1 property, or good is used for at least 50 percent of its use in the claimant's business
2 as a film production company.

3 **SECTION 1726ye.** 71.47 (5h) (c) 2. of the statutes is amended to read:

4 71.47 **(5h)** (c) 2. A claimant may claim the credit under par. (b) 2. for an amount
5 expended to construct, rehabilitate, remodel, or repair real property, if the claimant
6 began the physical work of construction, rehabilitation, remodeling, or repair, or any
7 demolition or destruction in preparation for the physical work, after December 31,
8 ~~2007~~ 2008, and the completed project is placed in service after December 31, ~~2007~~
9 2008.

10 **SECTION 1726yf.** 71.47 (5h) (c) 3. of the statutes is amended to read:

11 71.47 **(5h)** (c) 3. A claimant may claim the credit under par. (b) 2. for an amount
12 expended to acquire real property, if the property is not previously owned property
13 and if the claimant acquires the property after December 31, ~~2007~~ 2008, and the
14 completed project is placed in service after December 31, ~~2007~~ 2008.

15 **SECTION 1726yg.** 71.47 (5h) (c) 4. of the statutes is amended to read:

16 71.47 **(5h)** (c) 4. No claim may be allowed under this subsection unless the
17 department of commerce certifies, in writing, that the credits claimed under this
18 subsection are for expenses related to establishing or operating a film production
19 company in this state and the claimant submits a copy of the certification with the
20 claimant's return.

21 **SECTION 1726yh.** 71.47 (5h) (c) 4d. of the statutes is created to read:

22 71.47 **(5h)** (c) 4d. The maximum amount of all credits that a claimant may
23 claim under this subsection for each project for which expenses are certified under
24 subd. 4. is \$10,000,000.

25 **SECTION 1726yj.** 71.47 (5h) (c) 4m. of the statutes is created to read:

1 71.47 (5h) (c) 4m. The maximum amount of the credits that may be claimed
2 under this subsection and sub. (5f) and ss. 71.07 (5f) and (5h) and 71.28 (5f) and (5h)
3 in fiscal year 2009-10 is \$1,500,000. The maximum amount of the credits that may
4 be claimed under this subsection and sub. (5f) and ss. 71.07 (5f) and (5h) and 71.28
5 (5f) and (5h) in fiscal year 2010-11 is \$1,500,000.

6 **SECTION 1726yk.** 71.47 (5h) (d) of the statutes is renumbered 71.47 (5h) (d) 1.
7 and amended to read:

8 71.47 (5h) (d) 1. Section 71.28 (4) (e) ~~to~~, (g), and (h), as it applies to the credit
9 under s. 71.28 (4), applies to the credits under this subsection.

10 **SECTION 1726yL.** 71.47 (5h) (d) 2. of the statutes is created to read:

11 71.47 (5h) (d) 2. If the allowable amount of the claim under par. (b) exceeds
12 the tax otherwise due under s. 71.43 or no tax is due under s. 71.43, the amount
13 of the claim not used to offset the tax due shall be certified by the department of
14 revenue to the department of administration for payment by check, share draft, or
15 other draft drawn from the appropriation account under s. 20.835 (2) (bL).

16 **SECTION 1728.** 71.47 (5i) (b) of the statutes is amended to read:

17 71.47 (5i) (b) *Filing claims.* Subject to the limitations provided in this
18 subsection, for taxable years beginning after December 31, ~~2009~~ 2011, a claimant
19 may claim as a credit against the taxes imposed under s. 71.43, up to the amount of
20 those taxes, an amount equal to 50 percent of the amount the claimant paid in the
21 taxable year for information technology hardware or software that is used to
22 maintain medical records in electronic form, if the claimant is a health care provider,
23 as defined in s. 146.81 (1) (a) to (p).

24 **SECTION 1728d.** 71.47 (5k) (b) of the statutes is amended to read:

1 71.47 (5k) (b) *Filing claims.* Subject to the limitations provided in this
2 subsection, for taxable years beginning after July 1, 2009 2011, a claimant may claim
3 as a credit against the tax imposed under s. 71.43, up to the amount of those taxes,
4 an amount equal to 5 percent of the amount the claimant paid in the taxable year to
5 a community rehabilitation program to perform work for the claimant's business,
6 pursuant to a contract.

7 **SECTION 1729.** 71.47 (6) (c) of the statutes is amended to read:

8 71.47 (6) (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 1730.** 71.47 (6) (cm) of the statutes is created to read:

15 71.47 (6) (cm) Any credit claimed under this subsection for Wisconsin purposes
16 shall be claimed at the same time as for federal purposes.

17 **SECTION 1731.** 71.47 (6) (f) of the statutes is amended to read:

18 71.47 (6) (f) A partnership, limited liability company, or tax-option corporation
19 may not claim the credit under this subsection. The ~~individual partners of a~~
20 partnership, members of a limited liability company, or shareholders in a tax-option
21 corporation may claim the credit under this subsection based on eligible costs
22 incurred by the partnership, limited liability company, or tax-option corporation, ~~in~~
23 ~~proportion to the ownership interest of each partner, member or shareholder.~~ The
24 partnership, limited liability company, or tax-option corporation shall calculate the
25 amount of the credit which may be claimed by each partner, member, or shareholder

1 and shall provide that information to the partner, member, or shareholder. For
2 shareholders of a tax-option corporation, the credit may be allocated in proportion
3 to the ownership interest of each shareholder. Credits computed by a partnership
4 or limited liability company may be claimed in proportion to the ownership interests
5 of the partners or members or allocated to partners or members as provided in a
6 written agreement among the partners or members that is entered into no later than
7 the last day of the taxable year of the partnership or limited liability company, for
8 which the credit is claimed. For a partnership or limited liability company that
9 places property in service after June 29, 2008, and before January 1, 2009, the credit
10 attributable to such property may be allocated, at the election of the partnership or
11 limited liability company, to partners or members for a taxable year of the
12 partnership or limited liability company that ends after June 29, 2008, and before
13 January 1, 2010. Any partner or member who claims the credit as provided under
14 this paragraph shall attach a copy of the agreement, if applicable, to the tax return
15 on which the credit is claimed. A person claiming the credit as provided under this
16 paragraph is solely responsible for any tax liability arising from a dispute with the
17 department of revenue related to claiming the credit.

18 **SECTION 1732.** 71.47 (6) (g) of the statutes is created to read:

19 71.47 (6) (g) 1. If a person who claims the credit under this subsection elects
20 to claim the credit based on claiming amounts for expenditures as the expenditures
21 are paid, rather than when the rehabilitation work is completed, the person shall file
22 an election form with the department, in the manner prescribed by the department.

23 2. Notwithstanding s. 71.77, the department may adjust or disallow the credit
24 claimed under this subsection within 4 years after the date that the state historical
25 society notifies the department that the expenditures for which the credit was

1 claimed do not comply with the standards for certification promulgated under s.
2 44.02 (24).

3 **SECTION 1733.** 71.47 (8r) of the statutes is created to read:

4 71.47 (8r) BEGINNING FARMER AND FARM ASSET OWNER TAX CREDIT. (a) *Definitions.*

5 In this subsection:

6 1. "Agricultural assets" means machinery, equipment, facilities, or livestock
7 that is used in farming.

8 2. "Beginning farmer" means a person who meets the conditions specified in s.
9 93.53 (2).

10 3. "Claimant" means an established farmer who files a claim under this
11 subsection.

12 4. "Established farmer" means a person who meets the conditions specified in
13 s. 93.53 (3).

14 5. "Farming" has the meaning given in section 464 (e) (1) of the Internal
15 Revenue Code.

16 6. "Lease amount" is the amount of the cash payment paid by a beginning
17 farmer to an established farmer each year for leasing the established farmer's
18 agricultural assets.

19 (b) *Filing claims.* For taxable years beginning after December 31, 2010, and
20 subject to the limitations provided in this subsection, a claimant may claim as a
21 credit against the tax imposed under s. 71.43 an amount equal to 15 percent of the
22 lease amount received by the claimant in the taxable year. If the allowable amount
23 of the claim exceeds the taxes otherwise due on the claimant's income, the amount
24 of the claim not used as an offset against those taxes shall be certified by the
25 department of revenue to the department of administration for payment to the

1 claimant by check, share draft, or other draft from the appropriation under s. 20.835

2 (2) (en).

3 (c) *Limitations.* 1. A claimant may only claim the credit under this subsection
4 for the first 3 years of any lease of the claimant's agricultural assets to a beginning
5 farmer.

6 2. Along with a claimant's income tax return, a claimant shall submit to the
7 department a certificate of eligibility provided under s. 93.53 (5) (c).

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

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

18 **SECTION 1734.** 71.49 (1) (db) of the statutes is created to read:

19 71.49 (1) (db) Super research and development credit under s. 71.47 (4m).

20 **SECTION 1740d.** 71.49 (1) (epr) of the statutes is repealed.

21 **SECTION 1740e.** 71.49 (1) (eps) of the statutes is repealed.

22 **SECTION 1741b.** 71.49 (1) (f) of the statutes, as affected by 2009 Wisconsin Act
23 2, is amended to read:

24 71.49 (1) (f) The total of ~~farmers' drought property tax credit under s. 71.47~~
25 ~~(1fd)~~, farmland preservation credit under subch. IX, farmland tax relief credit under

1 s. 71.47 (2m), dairy manufacturing facility investment credit under s. 71.47 (3p), jobs
2 credit under s. 71.47 (3q), meat processing facility investment credit under s. 71.47
3 (3r), enterprise zone jobs credit under s. 71.47 (3w), film production services credit
4 under s. 71.47 (5f) ~~(b) 2.~~, film production company investment credit under s. 71.47
5 (5h), beginning farmer and farm asset owner tax credit under s. 71.47 (8r), and
6 estimated tax payments under s. 71.48.

7 **SECTION 1741s.** 71.52 (5) of the statutes is amended to read:

8 71.52 (5) "Household income" means all income received by all persons of a
9 household in a calendar year while members of the household, less \$250 \$500 for
10 each of the claimant's dependents, as defined in section 152 of the internal revenue
11 code, who have the same principal abode as the claimant for more than 6 months
12 during the year to which the claim relates.

13 **SECTION 1741w.** 71.54 (1) (f) (intro.) of the statutes is amended to read:

14 71.54 (1) (f) *2001 and thereafter.* (intro.) The Subject to sub. (2m), the amount
15 of any claim filed in 2001 and thereafter and based on property taxes accrued or rent
16 constituting property taxes accrued during the previous year is limited as follows:

17 **SECTION 1741we.** 71.54 (2) (b) 3. of the statutes is amended to read:

18 71.54 (2) (b) 3. In Subject to sub. (2m), in calendar year 1990 or any subsequent
19 calendar year, \$1,450. ✓

20 **SECTION 1742.** 71.54 (2m) of the statutes is created to read:

21 71.54 (2m) INDEXING FOR INFLATION; 2010 AND THEREAFTER. (a) For calendar years
22 beginning after December 31, 2009, the dollar amounts of the threshold income
23 under sub. (1) (f) 1. and 2. ✓, the maximum household income under sub. (1) (f) 3. and
24 the maximum property taxes under sub. (2) (b) 3. ✓ shall be increased each year by a
25 percentage equal to the percentage change between the U.S. consumer price index

1 for all urban consumers, U.S. city average, for the 12-month average of the U.S.
2 consumer price index for the month of August of the year before the previous year
3 through the month of July of the previous year and the U.S. consumer price index
4 for all urban consumers, U.S. city average, for the 12-month average of the U.S.
5 consumer price index for August 2007 through July 2008, as determined by the
6 federal department of labor, except that the adjustment may occur only if the
7 percentage is a positive number. Each amount that is revised under this paragraph
8 shall be rounded to the nearest multiple of \$10 if the revised amount is not a multiple
9 of \$10 or, if the revised amount is a multiple of \$5, such an amount shall be increased
10 to the next higher multiple of \$10. The department of revenue shall annually adjust
11 the changes in dollar amounts required under this paragraph and incorporate the
12 changes into the income tax forms and instructions.

13 (b) The department of revenue shall annually adjust the slope under sub. (1)

14 (f) 2. such that, as a claimant's income increases from the threshold income as
15 calculated under par. (a), to an amount that exceeds the maximum household income
16 as calculated under par. (a), the credit that may be claimed is reduced to \$0 and the
17 department of revenue shall incorporate the changes into the income tax forms and
18 instructions.

19 **SECTION 1743.** 71.57 of the statutes is amended to read:

20 **71.57 Purpose.** The purpose of ~~this subchapter~~ ss. 71.58 to 71.61 is to provide
21 credit to owners of farmland which is subject to agricultural use restrictions, through
22 a system of income or franchise tax credits and refunds and appropriations from the
23 general fund.

24 **SECTION 1744.** 71.58 (intro.) of the statutes is amended to read:

25 **71.58 Definitions.** (intro.) In ~~this subchapter~~ ss. 71.57 to 71.61:

remove / space

1 **SECTION 1745.** 71.58 (1) (intro.) of the statutes is amended to read:

2 71.58 (1) (intro.) “Claimant” means an owner of ~~farmland~~, as defined in s. 91.01
3 (9), 2007 stats., of farmland, domiciled in this state during the entire year for which
4 a credit under ~~this subchapter ss. 71.57 to 71.61~~ is claimed, except as follows:

5 **SECTION 1746.** 71.58 (1) (b) of the statutes is amended to read:

6 71.58 (1) (b) If any person in a household has claimed or will claim credit under
7 subch. VIII, all persons from that household are ineligible to claim any credit under
8 ~~this subchapter ss. 71.57 to 71.61~~ for the year to which the credit under subch. VIII
9 pertained.

10 **SECTION 1747.** 71.58 (1) (d) of the statutes is amended to read:

11 71.58 (1) (d) For purposes of filing a claim under ~~this subchapter ss. 71.57 to~~
12 71.61, the personal representative of an estate and the trustee of a trust shall be
13 deemed owners of farmland. “Claimant” does not include the estate of a person who
14 is a nonresident of this state on the person’s date of death, a trust created by a
15 nonresident person, a trust which receives Wisconsin real property from a
16 nonresident person or a trust in which a nonresident settlor retains a beneficial
17 interest.

18 **SECTION 1748.** 71.58 (1) (e) of the statutes is amended to read:

19 71.58 (1) (e) For purposes of filing a claim under ~~this subchapter ss. 71.57 to~~
20 71.61, when land is subject to a land contract, the claimant shall be the vendee under
21 the contract.

22 **SECTION 1749.** 71.58 (1) (f) of the statutes is amended to read:

23 71.58 (1) (f) For purposes of filing a claim under ~~this subchapter ss. 71.57 to~~
24 71.61, when a guardian has been appointed in this state for a ward who owns the
25 farmland, the claimant shall be the guardian on behalf of the ward.

1 **SECTION 1750.** 71.58 (3) of the statutes is amended to read:

2 71.58 (3) "Farmland" means 35 or more acres of real property in this state
3 owned by the claimant or any member of the claimant's household during the taxable
4 year for which a credit under ~~this subchapter ss. 71.57 to 71.61~~ is claimed if the
5 farmland, during that year, produced not less than \$6,000 in gross farm profits
6 resulting from the farmland's agricultural use, as defined in s. 91.01 (1), 2007 stats.,
7 or if the farmland, during that year and the 2 years immediately preceding that year,
8 produced not less than \$18,000 in such profits, or if at least 35 acres of the farmland,
9 during all or part of that year, was enrolled in the conservation reserve program
10 under 16 USC 3831 to 3836.

11 **SECTION 1751.** 71.58 (4) of the statutes is amended to read:

12 71.58 (4) "Gross farm profits" means gross receipts, excluding rent, from
13 agricultural use, as defined in s. 91.01 (1), 2007 stats., including the fair market
14 value at the time of disposition of payments in kind for placing land in federal
15 programs or payments from the federal dairy termination program under 7 USC
16 1446 (d), less the cost or other basis of livestock or other items purchased for resale
17 which are sold or otherwise disposed of during the taxable year.

18 **SECTION 1752.** 71.58 (8) of the statutes is amended to read:

19 71.58 (8) "Property taxes accrued" means property taxes, exclusive of special
20 assessments, delinquent interest and charges for service, levied on the farmland and
21 improvements owned by the claimant or any member of the claimant's household in
22 any calendar year under ch. 70, less the tax credit, if any, afforded in respect of the
23 property by s. 79.10. "Property taxes accrued" shall not exceed \$6,000. If farmland
24 is owned by a tax-option corporation, a limited liability company or by 2 or more
25 persons or entities as joint tenants, tenants in common or partners or is marital

1 property or survivorship marital property and one or more such persons, entities or
2 owners is not a member of the claimant's household, "property taxes accrued" is that
3 part of property taxes levied on the farmland, reduced by the tax credit under s.
4 79.10, that reflects the ownership percentage of the claimant and the claimant's
5 household. For purposes of this subsection, property taxes are "levied" when the tax
6 roll is delivered to the local treasurer for collection. If farmland is sold during the
7 calendar year of the levy the "property taxes accrued" for the seller is the amount of
8 the tax levy, reduced by the tax credit under s. 79.10, prorated to each in the closing
9 agreement pertaining to the sale of the farmland, except that if the seller does not
10 reimburse the buyer for any part of those property taxes there are no "property taxes
11 accrued" for the seller, and the "property taxes accrued" for the buyer is the property
12 taxes levied on the farmland, reduced by the tax credit under s. 79.10, minus, if the
13 seller reimburses the buyer for part of the property taxes, the amount prorated to the
14 seller in the closing agreement. With the claim for credit under ~~this subchapter~~ ss.
15 71.57 to 71.61, the seller shall submit a copy of the closing agreement and the buyer
16 shall submit a copy of the closing agreement and a copy of the property tax bill.

17 **SECTION 1753.** 71.59 (1) (a) of the statutes is amended to read:

18 71.59 (1) (a) Subject to the limitations provided in ~~this subchapter~~ ss. 71.57 to
19 71.61 and s. 71.80 (3) and (3m), a claimant may claim as a credit against Wisconsin
20 income or franchise taxes otherwise due, the amount derived under s. 71.60. If the
21 allowable amount of claim exceeds the income or franchise taxes otherwise due on
22 or measured by the claimant's income or if there are no Wisconsin income or franchise
23 taxes due on or measured by the claimant's income, the amount of the claim not used
24 as an offset against income or franchise taxes shall be certified to the department of

1 administration for payment to the claimant by check, share draft or other draft
2 drawn on the general fund.

3 **SECTION 1754.** 71.59 (1) (b) (intro.) of the statutes is amended to read:

4 71.59 (1) (b) (intro.) Every claimant under ~~this subchapter~~ ss. 71.57 to 71.61
5 shall supply, at the request of the department, in support of the claim, all of the
6 following:

7 **SECTION 1755.** 71.59 (1) (b) 4. of the statutes is amended to read:

8 71.59 (1) (b) 4. Certification by the claimant that each county land conservation
9 committee with jurisdiction over the farmland has been notified that the claimant
10 intends to submit a claim under ~~this subchapter~~ ss. 71.57 to 71.61.

11 **SECTION 1756.** 71.59 (1) (c) of the statutes is amended to read:

12 71.59 (1) (c) A farmland preservation agreement submitted under par. (b) 3.
13 shall contain provisions specified under s. 91.13 (8), 2007 stats., including either a
14 provision requiring farming operations to be conducted in substantial accordance
15 with a soil and water conservation plan prepared under s. 92.104, 2007 stats., or a
16 provision requiring farming operations to be conducted in compliance with
17 reasonable soil and water conservation standards established under s. 92.105, 2007
18 stats.

19 **SECTION 1757.** 71.59 (1) (d) 1. of the statutes is amended to read:

20 71.59 (1) (d) 1. That the lands are within the boundaries of an agricultural
21 zoning district which is part of an adopted ordinance meeting the standards of subch.
22 V of ch. 91, 2007 stats., and certified under s. 91.06, 2007 stats.

23 **SECTION 1758.** 71.59 (1) (d) 5. of the statutes is amended to read:

24 71.59 (1) (d) 5. That soil and water conservation standards applicable to the
25 land are established and approved as required under s. 92.105 (1) to (3), 2007 stats.,

1 and that no notice of noncompliance is in effect under s. 92.105 (5), 2007 stats., with
2 respect to the claimant at the time the certificate is issued.

3 **SECTION 1759.** 71.59 (2) (intro.) of the statutes is amended to read:

4 71.59 (2) INELIGIBLE CLAIMS. (intro.) No credit shall be allowed under ~~this~~
5 ~~subchapter~~ ss. 71.57 to 71.61:

6 **SECTION 1760.** 71.59 (2) (b) of the statutes is amended to read:

7 71.59 (2) (b) If a notice of noncompliance with an applicable soil and water
8 conservation plan under s. 92.104, 2007 stats., is in effect with respect to the
9 claimant at the time the claim is filed.

10 **SECTION 1761.** 71.59 (2) (c) of the statutes is amended to read:

11 71.59 (2) (c) If a notice of noncompliance with applicable soil and water
12 conservation standards under s. 92.105, 2007 stats., is in effect with respect to the
13 claimant at the time the claim is filed.

14 **SECTION 1762.** 71.59 (2) (d) of the statutes is amended to read:

15 71.59 (2) (d) For property taxes accrued on farmland zoned for exclusive
16 agricultural use under an ordinance certified under subch. V of ch. 91, 2007 stats.,
17 which is granted a special exception or conditional use permit for a use which is not
18 an agricultural use, as defined in s. 91.01 (1), 2007 stats.

19 **SECTION 1763.** 71.59 (2) (e) of the statutes is amended to read:

20 71.59 (2) (e) If the department determines that ownership of the farmland has
21 been transferred to the claimant primarily for the purpose of maximizing benefits
22 under ~~this subchapter~~ ss. 71.57 to 71.61.

23 **SECTION 1764.** 71.60 (1) (b) of the statutes is amended to read:

24 71.60 (1) (b) The credit allowed under ~~this subchapter~~ ss. 71.57 to 71.61 shall
25 be limited to 90% of the first \$2,000 of excessive property taxes plus 70% of the 2nd

1 \$2,000 of excessive property taxes plus 50% of the 3rd \$2,000 of excessive property
2 taxes. The maximum credit shall not exceed \$4,200 for any claimant. The credit for
3 any claimant shall be the greater of either the credit as calculated under ~~this~~
4 subchapter ss. 71.57 to 71.61 as it exists at the end of the year for which the claim
5 is filed or as it existed on the date on which the farmland became subject to a current
6 agreement under subch. II or III of ch. 91, 2007 stats., using for such calculations
7 household income and property taxes accrued of the year for which the claim is filed.

8 **SECTION 1765.** 71.60 (1) (c) 1. of the statutes is amended to read:

9 71.60 (1) (c) 1. If the farmland is located in a county which has a certified
10 agricultural preservation plan under subch. IV of ch. 91, 2007 stats., at the close of
11 the year for which credit is claimed and is in an area zoned by a county, city or village
12 for exclusive agricultural use under ch. 91, 2007 stats., at the close of such year, the
13 amount of the claim shall be that as specified in par. (b).

14 **SECTION 1766.** 71.60 (1) (c) 2. of the statutes is amended to read:

15 71.60 (1) (c) 2. If the farmland is subject to a transition area agreement under
16 subch. II of ch. 91, 2007 stats., on July 1 of the year for which credit is claimed, or the
17 claimant had applied for such an agreement before July 1 of such year and the
18 agreement has subsequently been executed, and the farmland is located in a city or
19 village which has a certified exclusive agricultural use zoning ordinance under
20 subch. V of ch. 91, 2007 stats., in effect at the close of the year for which credit is
21 claimed, or in a town which is subject to a certified county exclusive agricultural use
22 zoning ordinance under subch. V of ch. 91, 2007 stats., in effect at the close of the year
23 for which credit is claimed, the amount of the claim shall be that as specified in par.
24 (b).

25 **SECTION 1767.** 71.60 (1) (c) 3. of the statutes is amended to read:

1 71.60 (1) (c) 3. If the claimant or any member of the claimant's household owns
2 farmland which is ineligible for credit under subd. 1. or 2. but was subject to a
3 farmland preservation agreement under subch. III of ch. 91, 2007 stats., on July 1
4 of the year for which credit is claimed, or the owner had applied for such an
5 agreement before July 1 of such year and the agreement has subsequently been
6 executed, and if the owner has applied by the end of the year in which conversion
7 under s. 91.41, 2007 stats., is first possible for conversion of the agreement to a
8 transition area agreement under subch. II of ch. 91, 2007 stats., and the transition
9 area agreement has subsequently been executed, and the farmland is located in a city
10 or village which has a certified exclusive agricultural use zoning ordinance under
11 subch. V of ch. 91, 2007 stats., in effect at the close of the year for which credit is
12 claimed, or in a town which is subject to a certified county exclusive agricultural use
13 zoning ordinance under subch. V of ch. 91, 2007 stats., in effect at the close of the year
14 for which credit is claimed, the amount of the claim shall be that specified in par. (b).

15 **SECTION 1768.** 71.60 (1) (c) 4. of the statutes is amended to read:

16 71.60 (1) (c) 4. If the claimant or any member of the claimant's household owns
17 farmland which is ineligible for credit under subd. 1. or 2. but which is subject to a
18 farmland preservation agreement or a transition area agreement under subch. II of
19 ch. 91, 2007 stats., on July 1 of the year for which credit is claimed, or the owner had
20 applied for such an agreement before July 1 of such year and the agreement has
21 subsequently been executed, the amount of the claim shall be limited to 80% of that
22 specified in par. (b).

23 **SECTION 1769.** 71.60 (1) (c) 5. of the statutes is amended to read:

24 71.60 (1) (c) 5. If the claimant or any member of the claimant's household owns
25 farmland which is ineligible for credit under subds. 1. to 4. but was subject to a

1 farmland preservation agreement under subch. III of ch. 91, 2007 stats., on July 1
2 of the year for which credit is claimed, or the owner had applied for such an
3 agreement before July 1 of such year and the agreement has subsequently been
4 executed, and if the owner has applied by the end of the year in which conversion
5 under s. 91.41, 2007 stats., is first possible for conversion of the agreement to an
6 agreement under subch. II of ch. 91, 2007 stats., and the agreement under subch. II
7 of ch. 91, 2007 stats., has subsequently been executed, the amount of the claim shall
8 be limited to 80% of that specified in par. (b).

9 **SECTION 1770.** 71.60 (1) (c) 6. of the statutes is amended to read:

10 71.60 (1) (c) 6. If the farmland is located in an agricultural district under a
11 certified county agricultural preservation plan under subch. IV of ch. 91, 2007 stats.,
12 at the close of the year for which credit is claimed, and is located in an area zoned for
13 exclusive agricultural use under a certified town ordinance under subch. V of ch. 91,
14 2007 stats., at the close of such year, the amount of the claim shall be the amount
15 specified in par. (b).

16 **SECTION 1771.** 71.60 (1) (c) 6m. of the statutes is amended to read:

17 71.60 (1) (c) 6m. If the farmland is located in an agricultural district under a
18 certified county agricultural preservation plan under subch. IV of ch. 91, 2007 stats.,
19 at the close of the year for which credit is claimed, and is located in an area zoned for
20 exclusive agricultural use under a certified county or town ordinance under subch.
21 V of ch. 91, 2007 stats., for part of a year but not at the close of that year because the
22 farmland became subject to a city or village extraterritorial zoning ordinance under
23 s. 62.23 (7a), the amount of the claim shall be equal to the amount that the claim
24 would have been under this section if the farmland were subject to a certified county
25 or town exclusive agricultural use ordinance at the close of the year.

1 **SECTION 1772.** 71.60 (1) (c) 7. of the statutes is amended to read:

2 71.60 (1) (c) 7. If the farmland is located in an area zoned for exclusive
3 agricultural use under a certified county, city or village ordinance under subch. V of
4 ch. 91, 2007 stats., at the close of the year for which credit is claimed, but the county
5 in which the farmland is located has not adopted an agricultural preservation plan
6 under subch. IV of ch. 91, 2007 stats., by the close of such year, the amount of the
7 claim shall be limited to 70% of that specified in par. (b).

8 **SECTION 1773.** 71.60 (1) (c) 8. of the statutes is amended to read:

9 71.60 (1) (c) 8. If the farmland is subject to a farmland preservation agreement
10 under subch. III of ch. 91, 2007 stats., on July 1 of the year for which credit is claimed
11 or the claimant had applied for such an agreement before July 1 of such year and the
12 agreement has subsequently been executed, the amount of the claim shall be limited
13 to 50% of that specified in par. (b).

14 **SECTION 1774.** 71.60 (2) of the statutes is amended to read:

15 71.60 (2) If the farmland is subject to a certified ordinance under subch. V of
16 ch. 91, 2007 stats., or an agreement under subch. II of ch. 91, 2007 stats., in effect
17 at the close of the year for which the credit is claimed, the amount of the claim is 10%
18 of the property taxes accrued or the amount determined under sub. (1), whichever
19 is greater.

20 **SECTION 1775.** 71.61 of the statutes is amended to read:

21 **71.61 General provisions. (1)** DEPARTMENT MAY APPLY CREDIT AGAINST ANY TAX
22 LIABILITY. The amount of any claim otherwise payable under ~~this subchapter~~ ss. 71.57
23 to 71.61 may be applied by the department against any amount certified to the
24 department under s. 71.93 or 71.935 or may be credited under s. 71.80 (3) or (3m).

1 (2) CREDITS ARE INCOME. All amounts allowed as credits under ~~this subchapter~~
2 ss. 71.57 to 71.61 constitute income for income and franchise tax purposes and are
3 reportable as such in the year of receipt.

4 (3) INTEREST NOT ALLOWED. No interest may be allowed on any payment made
5 to a claimant under ~~this subchapter~~ ss. 71.57 to 71.61.

6 (3m) ADMINISTRATION. The income tax provisions in this chapter relating to
7 assessments, refunds, appeals and collection apply to the credit under ~~this~~
8 ~~subchapter~~ ss. 71.57 to 71.61.

9 (4) PENALTIES. Unless specifically provided in ~~this subchapter~~ ss. 71.57 to
10 71.61, the penalties under subch. XIII apply for failure to comply with ~~this~~
11 ~~subchapter~~ ss. 71.57 to 71.61 unless the context requires otherwise.

12 (5) TABLE PREPARED BY DEPARTMENT. The department shall prepare a table under
13 which claims under ~~this subchapter~~ ss. 71.57 to 71.61 shall be determined.

14 **SECTION 1776.** 71.61 (6) of the statutes is created to read:

15 71.61 (6) PROHIBITION OF NEW CLAIMS. For taxable years beginning after
16 December 31, 2009, no new claims for a credit may be filed under ss. 71.57 to 71.61,
17 but if an otherwise eligible claimant is subject to a farmland preservation agreement,
18 as defined in s. 91.01 (7), 2007 stats., that is in effect on July 1, 2010, the claimant
19 may continue to file a claim for the credit under ss. 71.57 to 71.61 until the farmland
20 preservation agreement expires, except that no claimant who files a claim under ss.
21 71.57 to 71.61 may file a claim under s. 71.613.

22 **SECTION 1777.** 71.613 of the statutes is created to read:

23 **71.613 Farmland preservation credit, 2010 and beyond.** (1) DEFINITIONS.

24 In this section:

25 (a) "Agricultural use" has the meaning given in s. 91.01 (2).

1 (b) "Claimant" means an owner, as defined in s. 91.01 (9), 2007 stats., of
2 farmland, domiciled in this state during the entire taxable year to which the claim
3 under this section relates, who files a claim under this section, except as follows:

4 1. When 2 or more individuals of a household are able to qualify individually
5 as a claimant, they may determine between them who the claimant shall be. If they
6 are unable to agree, the matter shall be referred to the secretary of revenue, whose
7 decision is final.

8 2. If any person in a household has claimed or will claim credit under subch.
9 VIII, all persons from that household are ineligible to claim any credit under this
10 section for the year to which the credit under subch. VIII pertains.

11 3. For partnerships except publicly traded partnerships treated as
12 corporations under s. 71.22 (1k), "claimant" means each individual partner.

13 4. For limited liability companies, except limited liability companies treated as
14 corporations under s. 71.22 (1k), "claimant" means each individual member.

15 5. For purposes of filing a claim under this section, the personal representative
16 of an estate and the trustee of a trust shall be considered owners of farmland.
17 "Claimant" does not include the estate of a person who is a nonresident of this state
18 on the person's date of death, a trust created by a nonresident person, a trust which
19 receives Wisconsin real property from a nonresident person or a trust in which a
20 nonresident settlor retains a beneficial interest.

21 6. For purposes of filing a claim under this section, when land is subject to a
22 land contract, the claimant shall be the vendee under the contract.

23 7. For purposes of filing a claim under this section, when a guardian has been
24 appointed in this state for a ward who owns the farmland, the claimant shall be the
25 guardian on behalf of the ward.

1 8. For a tax-option corporation, "claimant" means each individual shareholder.

2 (c) "Department" means the department of revenue.

3 (d) "Farm" means a farm, as defined in s. 91.01 (13), that has produced at least
4 \$6,000 in gross farm revenues during the taxable year to which the claim relates or,
5 in the taxable year to which the claim relates and the 2 immediately preceding
6 taxable years, at least \$18,000 in gross farm revenues.

7 (e) "Farmland preservation agreement" has the meaning given in s. 91.01 (15).

8 (f) "Farmland preservation zoning district" has the meaning given in s. 91.01
9 (18).

10 (g) "Gross farm revenues" means gross receipts from agricultural use of a farm,
11 excluding rent receipts, less the cost or other basis of livestock or other agricultural
12 items purchased for resale which are sold or otherwise disposed of during the taxable
13 year.

14 (ge) "Household" means an individual and his or her spouse and all minor
15 dependents.

16 (h) "Qualifying acres" means the number of acres of a farm that correlate to a
17 claimant's percentage of ownership interest in a farm to which one of the following
18 applies:

19 1. The farm is wholly or partially covered by a farmland preservation
20 agreement, except that if the farm is only partially covered, the qualifying acres
21 calculation includes only those acres which are covered by a farmland preservation
22 agreement.

23 2. The farm is located in a farmland preservation zoning district at the end of
24 the taxable year to which the claim relates.

1 3. If the claimant transferred the claimant's ownership interest in the farm
2 during the taxable year to which the claim relates, the farm was wholly or partially
3 covered by a farmland preservation agreement, or the farm was located in a farmland
4 preservation zoning district, on the date on which the claimant transferred the
5 ownership interest. For the purposes of this subdivision, a land contract is a transfer
6 of ownership interest.

7 **(2) FILING CLAIMS.** Subject to the limitations and conditions provided in sub. (3),
8 a claimant may claim as a credit against the tax imposed under s. 71.02, 71.08, 71.23,
9 or 71.43, an amount calculated by multiplying the claimant's qualifying acres by one
10 of the following amounts, and if the allowable amount of the claim exceeds the income
11 taxes otherwise due on the claimant's income or if there are no Wisconsin income
12 taxes due on the claimant's income, the amount of the claim not used as an offset
13 against income taxes shall be certified by the department of revenue to the
14 department of administration for payment to the claimant by check, share draft, or
15 other draft from the appropriation under s. 20.835 (2) (do):

16 (a) Ten dollars, if the qualifying acres are located in a farmland preservation
17 zoning district and are also subject to a farmland preservation agreement that is
18 entered into after the effective date of this paragraph [LRB inserts date].

19 (b) Seven dollars and 50 cents, if the qualifying acres are located in a farmland
20 preservation zoning district but are not subject to a farmland preservation
21 agreement that is entered into after the effective date of this paragraph [LRB
22 inserts date].

23 (c) Five dollars, if the qualifying acres are subject to a farmland preservation
24 agreement that is entered into after the effective date of this paragraph [LRB
25 inserts date], but are not located in a farmland preservation zoning district.

1 **(3) LIMITATIONS AND CONDITIONS.** (a) No credit may be allowed under this section
2 unless all of the following apply:

3 1. The claimant certifies to the department that the claimant has paid, or is
4 legally responsible for paying, the property taxes levied against the qualifying acres
5 to which the claim relates.

6 2. The claimant certifies to the department that at the end of the taxable year
7 to which the claim relates or, on the date on which the person transferred the person's
8 ownership interest in the farm if the transfer occurs during the taxable year to which
9 the claim relates, there was no outstanding notice of noncompliance issued against
10 the farm under s. 91.82 (2).

11 3. The claimant submits to the department a certification of compliance with
12 soil and water conservation standards, as required by s. 91.80, issued by the county
13 land conservation committee unless, in the last preceding year, the claimant received
14 a tax credit under ss. 71.57 to 71.61 or this section for the same farm.

15 (b) If a farm is jointly owned by 2 or more persons who file separate income or
16 franchise tax returns, each person may claim a credit under this section based on the
17 person's ownership interest in the farm.

18 (c) If a person acquires or transfers ownership of a farm during a taxable year
19 for which a claim may be filed under this section, the person may file a claim under
20 this section based on the person's liability for the property taxes levied on the
21 person's qualifying acres for the taxable year to which the claim relates.

22 (d) A claimant shall claim the credit under this section on a form prepared by
23 the department and shall submit any documentation required by the department.

24 On the claim form, the claimant shall certify all of the following:

25 1. The number of qualifying acres for which the credit is claimed.

1 2. The location and tax parcel number for each parcel on which the qualifying
2 acres are located.

3 4. That the qualifying acres are covered by a farmland preservation agreement
4 or located in a farmland preservation zoning district, or both.

5 5. That the qualifying acres are part of a farm that complies with applicable
6 state soil and water conservation standards, as required by s. 91.80.

7 (e) No credit may be allowed under this section unless it is claimed within the
8 time period under s. 71.75 (2).

9 (f) The maximum amount of the credits that may be claimed under this section
10 in any fiscal year is \$27,007,200. If the total amount of eligible claims exceed this
11 amount, the excess claims shall be paid in the next succeeding fiscal year to ensure
12 that the limit specified in this paragraph is not exceeded.

13 (g) For the 2011-2012 fiscal year, and for every succeeding fiscal year, the
14 department shall prorate the per acre amounts specified in sub. (2) based on the
15 department's estimated amount of eligible claims that will be filed for that fiscal
16 year, and to account for any excess claims from the preceding fiscal year that are
17 required to be paid under par. (f).

18 (h) If the payment to which an eligible claimant is entitled under sub. (2) is
19 delayed because the claim was an excess claim, as described in par. (f), the claimant
20 is not entitled to any interest payment under s. 71.82 with regard to the delayed
21 claim or with regard to any other refund to which the claimant is entitled if that other
22 refund claim is claimed on the same income tax return as the credit under this
23 section.

24 (4) ADMINISTRATION. The department may enforce the credit under this section
25 and may take any action, conduct any proceeding, and proceed as it is authorized in

1 respect to taxes under this chapter. The income and franchise tax provisions in this
2 chapter relating to assessments, refunds, appeals, collection, interest, and penalties
3 apply to the credit under this section.

4 **SECTION 1777m.** 71.63 (3) (d) of the statutes is created to read:

5 71.63 (3) (d) With regard to ss. 71.64 (6m) and 71.65 (6), “employer” means a
6 person described in s. 108.18 (2) (c).

7 **SECTION 1777o.** 71.64 (6m) of the statutes is created to read:

8 71.64 (6m) WITHHOLDING BY CERTAIN CONTRACTORS. If an employer files federal
9 tax form 1099-MISC, Miscellaneous Income, on behalf of any independent
10 contractor or single-member limited liability company providing construction
11 services to the employer, the employer shall deduct and withhold, not more
12 frequently than on a quarterly basis, 1 percent from the wages paid to the person on
13 whose behalf the form is filed.

14 **SECTION 1778.** 71.65 (5) (b) of the statutes is amended to read:

15 71.65 (5) (b) No extension under par. (a) extends the time to deposit with the
16 public depository or pay to the department amounts that are required to be deducted
17 and withheld under this subchapter. The department for good cause may extend for
18 a period, not to exceed one month, the time for making any return or paying any
19 amount required to be paid under this subchapter. The extension may be granted
20 at any time if the extension request is filed with the department within or before the
21 period for which the extension is requested.

22 **SECTION 1778q.** 71.65 (6) of the statutes is created to read:

23 71.65 (6) CONSTRUCTION CONTRACTORS. Any employer who willfully provides
24 false information to the department, or who willfully and with intent to evade any
25 requirement of this subchapter, misclassifies or attempts to misclassify an

1 individual who is an employee of the employer as a nonemployee shall be fined
2 \$25,000 for each violation.

3 **SECTION 1779.** 71.74 (6) of the statutes is amended to read:

4 71.74 (6) CONSOLIDATED STATEMENTS. For the purpose of this chapter, whenever
5 a corporation which is required to file an income or franchise tax return is affiliated
6 with or related to any other corporation through stock ownership by the same
7 interests or as parent or subsidiary corporations, or whose income is regulated
8 through contract or other arrangement, the department may require such
9 consolidated statements as in its opinion are necessary in order to determine the
10 taxable income received by any one of the affiliated or related corporations or to
11 determine whether the corporations are a unitary business.

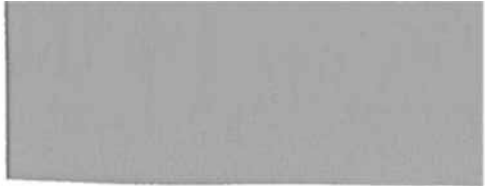
12 **SECTION 1780.** 71.775 (4) (a) (intro.) of the statutes is amended to read:

13 71.775 (4) (a) (intro.) Each pass-through entity that is subject to the
14 withholding under sub. (2) shall ~~pay the amount of the tax withheld to~~ file an annual
15 return that indicates the withholding amount paid to the state during the
16 pass-through entity's taxable year. The entity shall file the return with the
17 department no later than:

18 **SECTION 1781.** 71.775 (4) (b) of the statutes is repealed.

19 **SECTION 1782.** 71.775 (4) (bm) 1. of the statutes is created to read:

20 71.775 (4) (bm) 1. For the return under par. (a), the department shall allow an
21 automatic extension of 7 months or until the corresponding due date of the
22 pass-through entity's federal income tax return or return of partnership income,
23 whichever is later. Except for payments of estimated taxes, and except as provided
24 in subd. 2., withholding taxes payable upon filing the return are not delinquent



1 during the extension period but shall be subject to interest at the rate of 12 percent
2 per year during that period.

3 **SECTION 1783.** 71.775 (4) (bm) 2. of the statutes is created to read:

4 71.775 (4) (bm) 2. For taxable years beginning after December 31, 2008, for
5 persons who qualify for a federal extension of time to file under 26 USC 7508A due
6 to a presidentially declared disaster or terroristic or military action, withholding
7 taxes that are otherwise due from a pass-through entity under sub. (2) are not
8 subject to 12 percent interest as otherwise provided under subd. 1. during the
9 extension period and for 30 days after the end of the federal extension period.

10 **SECTION 1784.** 71.775 (4) (bn) of the statutes is created to read:

11 71.775 (4) (bn) If a pass-through entity subject to withholding tax under sub.
12 (2) does not file the return under par. (a) on or before the extension date provided in
13 par. (bm), the pass-through entity is liable for the penalty provided in s. 71.83 (1),
14 in addition to any unpaid tax, interest, and penalty otherwise assessable to a
15 nonresident partner, member, shareholder, or beneficiary on income from the
16 pass-through entity.

17 **SECTION 1785.** 71.775 (4) (c) of the statutes is renumbered 71.775 (4) (i).

18 **SECTION 1786.** 71.775 (4) (cm) of the statutes is created to read:

19 71.775 (4) (cm) Except as provided in par. (L), pass-through entities shall make
20 estimated payments of the withholding tax under sub. (2) in 4 installments, on or
21 before the 15th day of each of the following months:

- 22 1. The 3rd month of the taxable year.
- 23 2. The 6th month of the taxable year.
- 24 3. The 9th month of the taxable year.
- 25 4. The 12th month of the taxable year.

1 **SECTION 1787.** 71.775 (4) (d) of the statutes is renumbered 71.775 (4) (j) and
2 amended to read:

3 71.775 (4) (j) A nonresident partner, member, shareholder, or beneficiary of a
4 pass-through entity may claim a credit, as prescribed by the department, on his or
5 her Wisconsin income or franchise tax return for the amount withheld under sub. (2)
6 on his or her behalf for the tax period for which the income of the pass-through entity
7 is reported. ~~For purposes of determining whether interest under s. 71.84 applies to~~
8 ~~a nonresident partner, member, shareholder, or beneficiary, the amount withheld~~
9 ~~under sub. (2) is considered to be paid in 4 equal quarterly installments.~~

10 **SECTION 1788.** 71.775 (4) (dm) of the statutes is created to read:

11 71.775 (4) (dm) Section 71.29 (3), (3m), (4), (5), (6), and (11), as it applies to
12 estimated payments of income and franchise taxes for corporations, also applies to
13 estimated payments of the withholding tax imposed under sub. (2) for pass-through
14 entities.

15 **SECTION 1789.** 71.775 (4) (e) of the statutes is renumbered 71.775 (4) (k).

16 **SECTION 1790.** 71.775 (4) (em) of the statutes is created to read:

17 71.775 (4) (em) Except as provided in par. (fm), in the case of any underpayment
18 of estimated withholding taxes under par. (cm), interest shall be added to the
19 aggregate withholding tax for the taxable year at the rate of 12 percent per year on
20 the amount of the underpayment for the period of the underpayment. In this
21 paragraph, "period of the underpayment" means the time period beginning with the
22 due date of the installment and ending on either the unextended due date of the
23 return under par. (a) or the date of payment, whichever is earlier. If 90 percent of
24 the tax due under sub. (2) for the taxable year is not paid by the unextended due date
25 of the return under par. (a), the difference between that amount and the estimated

1 taxes paid, along with any interest due, shall accrue delinquent interest in the same
2 manner as income and franchise taxes under s. 71.82 (2) (a).

3 **SECTION 1791.** 71.775 (4) (f) of the statutes is repealed.

4 **SECTION 1792.** 71.775 (4) (fm) of the statutes is created to read:

5 71.775 (4) (fm) No interest is required under par. (em) for a pass-through entity
6 if any of the following conditions apply:

7 1. The amount of withholding tax due under sub. (2) is less than \$500.

8 2. The amount of withholding tax due under sub. (2) is less than \$5,000, the
9 pass-through entity had no withholding tax liability under sub. (2) for the preceding
10 taxable year, and the preceding taxable year was 12 months.

11 **SECTION 1793.** 71.775 (4) (g) of the statutes is created to read:

12 71.775 (4) (g) Except as provided under par. (h), the amount of each installment
13 required under par. (cm) is 25 percent of the lesser of the following amounts:

14 1. Ninety percent of the withholding tax under sub. (2) that is due for the
15 taxable year.

16 2. The withholding tax due under sub. (2) for the preceding taxable year, except
17 that this subdivision does not apply if the preceding taxable year was less than 12
18 months or if the pass-through entity did not file a return under par. (a) for the
19 preceding taxable year.

20 **SECTION 1794.** 71.775 (4) (h) of the statutes is created to read:

21 71.775 (4) (h) If 22.5 percent for the first installment, 45 percent for the 2nd
22 installment, 67.5 percent for the 3rd installment, and 90 percent for the 4th
23 installment of the tax due under sub. (2) for the taxable year; computed by
24 annualizing, under methods prescribed by the department, the pass-through
25 entity's income for the months in the taxable year ending before the installment's due

1 date; is less than the installment required under par. (g), the pass-through entity
2 may pay the amount under this paragraph, rather than the amount under par. (g).
3 For purposes of computing annualized income under this paragraph, the
4 apportionment percentage computed under s. 71.25 (6), (10), and (12) from the return
5 under par. (a) filed for the previous taxable year may be used if that return was filed
6 with the department on or before the due date of the installment for which the income
7 is being annualized and if the apportionment percentage on that previous year's
8 return was greater than zero. Any pass-through entity that pays an amount
9 calculated under this paragraph shall increase the next installment computed under
10 par. (g) by an amount equal to the difference between the amount paid under this
11 paragraph and the amount that would have been paid under par. (g).

12 **SECTION 1795.** 71.775 (4) (L) of the statutes is created to read:

13 71.775 (4) (L) The department shall deem timely paid the estimated payments
14 of the withholding tax imposed under sub. (2) that become due during the period
15 beginning on January 1, 2009, and ending on the effective date of this paragraph
16 [LRB inserts date], provided that such estimated tax payments are paid by the next
17 installment due date that follows in sequence following the effective date of this
18 paragraph [LRB inserts date]. However, if the next installment due date following
19 the effective date of this paragraph [LRB inserts date], is less than 45 days after
20 the effective date of this paragraph [LRB inserts date], such estimated payments,
21 in addition to the payment due less than 45 days after the effective date of this
22 paragraph [LRB inserts date], shall be deemed timely paid if paid by the next
23 subsequent installment due date.

24 **SECTION 1796.** 71.80 (9m) of the statutes is created to read:

1 **71.80 (9m) FAILURE TO PRODUCE RECORDS.** A person who fails to produce records
2 or documents, as provided under ss. 71.74 (2) and 73.03 (9), that support amounts
3 or other information required to be shown on any return required under this chapter
4 may be subject to any of the following penalties, as determined by the department,
5 except that the department may not impose a penalty under this subsection if the
6 person shows that under all facts and circumstances the person's response, or failure
7 to respond, to the department's request was reasonable or justified by factors beyond
8 the person's control:

9 (a) The disallowance of deductions, credits, exemptions, or income inclusions
10 to which the requested records relate.

11 (b) In addition to any penalty imposed under sub. (4), a penalty for each
12 violation of this subsection that is equal to the greater of \$500 or 25 percent of the
13 amount of the additional tax on any adjustment made by the department that results
14 from the person's failure to produce the records.

15 (c) The department shall promulgate rules to administer this subsection and
16 the rules shall include a standard response time, a standard for noncompliance, and
17 penalty waiver provisions.

18 **SECTION 1797.** 71.80 (20) of the statutes is repealed and recreated to read:

19 **71.80 (20) ELECTRONIC FILING.** If a person is required to file 50 or more wage
20 statements or 50 or more of any one type of information return with the department,
21 the person shall file the statements or the returns electronically, by means prescribed
22 by the department.

23 **SECTION 1798.** 71.80 (24) of the statutes is created to read:

24 **71.80 (24) THROWBACK TRANSITION.** For persons subject to tax under this
25 chapter whose sales factor includes sales under s. 71.04 (7) (a) or 71.25 (9) (a), (df)

3., or (dh) 4., the department shall deem timely paid the estimated tax payments attributable to the difference between the person's tax liability for the taxable year and the person's tax liability for the taxable year computed under ch. 71, 2007 stats., for installments that become due during the period beginning on January 1, 2009, and ending on the effective date of this subsection [LRB inserts date], provided that such estimated tax payments are paid by the next installment due date that follows in sequence following the effective date of this subsection [LRB inserts date]. However, if the next installment due date that follows in sequence following the effective date of this subsection [LRB inserts date], is less than 45 days after the effective date of this subsection [LRB inserts date], such estimated tax payments, in addition to the payment due less than 45 days after the effective date of this subsection [LRB inserts date], shall be deemed timely paid if paid by the next subsequent installment due date.

SECTION 1801. 71.83 (1) (a) 10. of the statutes is created to read:

71.83 (1) (a) 10. 'Failure to provide schedules.' If a person who is required to provide a schedule under s. 71.13 (1m), 71.20 (1m), or 71.36 (4) fails to provide the schedule by the due date, including any extension, or provides an incorrect or incomplete schedule, the person is subject to a \$50 penalty for each violation, except that the department shall waive the penalty if the person shows the department that a violation resulted from a reasonable cause and not from willful neglect.

SECTION 1802. 71.83 (3) of the statutes is renumbered 71.83 (3) (a) and amended to read:

71.83 (3) (a) If any person required under this chapter to file an income or franchise tax return fails to file a return within the time prescribed by law, or as extended under s. 71.03 (7), 71.24 (7) or 71.44 (3), unless the return is filed under such

1 an extension but the person fails to file a copy of the extension that is granted by or
2 requested of the internal revenue service, the department shall add to the tax of the
3 person ~~\$30 in the case of corporations and in the case of persons other than~~
4 ~~corporations \$2 when the total normal income tax of the person is less than \$10, \$3~~
5 ~~when the tax is \$10 or more but less than \$20, \$5 when the tax is \$20 or more, except~~
6 ~~that \$30 shall be added to the tax if the return is 60 or more days late \$50 to the~~
7 person's tax if the return is filed under subch. I of this chapter or \$150 to the person's
8 tax if the return is filed under subch. IV or VII of this chapter. If no tax is assessed
9 against any such person the amount of this fee shall be collected as income or
10 franchise taxes are collected. If any person who is required under s. 71.65 (3) to file
11 a withholding report and deposit withheld taxes fails timely to do so; unless the
12 person so required dies or the failure is due to a reasonable cause and not due to
13 neglect; the department of revenue shall add ~~\$30~~ \$50 to the amount due except that
14 if the person is subject to taxation under subch. IV or VII of this chapter the
15 department shall add \$150 to the amount due.

16 **SECTION 1803.** 71.83 (3) (b) of the statutes is created to read:

17 71.83 (3) (b) A partnership that fails to file a statement under s. 71.20 (1) by
18 the due date, including any extension, is subject to a \$50 fee.

19 **SECTION 1804.** 71.91 (8) of the statutes is created to read:

20 71.91 (8) FINANCIAL RECORD MATCHING PROGRAM. (a) *Definitions.* In this
21 subsection:

22 1. "Account" means a demand deposit account, checking account, negotiable
23 withdrawal order account, savings account, time deposit account, or money market
24 mutual fund account.

25 2. "Department" means the department of revenue.

1 3. "Financial institution" has the meaning given in s. 49.853 (1) (c).

2 4. "Ownership interest" has the meaning specified by the department by rule.

3 5. "Person" includes any individual, firm, partnership, limited liability
4 company, joint venture, joint stock company, association, public or private
5 corporation, estate, trust, receiver, personal representative, and other fiduciary, and
6 the owner of a single-owner entity that is disregarded as a separate entity under this
7 chapter.

8 (b) *Matching program agreements.* The department shall promulgate rules
9 specifying procedures under which the department shall enter into agreements with
10 financial institutions doing business in this state to operate the financial record
11 matching program under this subsection. The information required under par. (c)
12 shall be provided by electronic data exchange in the manner specified by the
13 department by rule or by agreement between the department and the financial
14 institution. If the financial institution requests reimbursement, the department
15 shall reimburse a financial institution for costs associated with participating in the
16 financial record matching program under this subsection in an amount not to exceed
17 \$125 for each calendar quarter that the institution participates in the program.

18 (c) *Financial institution matching.* The department shall provide to the
19 financial institution, with which it has an agreement under par. (b) at least quarterly,
20 the names and social security numbers or federal employer identification numbers
21 of delinquent debtors. The financial institution shall match this information against
22 all accounts maintained at the financial institution. The financial institution shall
23 notify the department of the name, social security or federal employer identification
24 number, address, account number, account type, and account balance of any person
25 with ownership interest in any account that matches any name or number provided

1 by the department. The notice shall be provided in a manner specified by the
2 department by rule or by agreement between the department and the financial
3 institution.

4 (e) *Confidentiality.* A financial institution participating in the financial
5 institution matching program under this subsection and the employees, agents,
6 officers, and directors of the financial institution, may use any information provided
7 by the department only for the purpose of administering this subsection and shall
8 be subject to the confidentiality provisions of ss. 71.78 (1) and 77.61 (5) (a). Any
9 person violating this paragraph may be fined not less than \$25 nor more than \$500,
10 or imprisoned in the county jail for not less than 10 days nor more than one year or
11 both.

12 (f) *Financial institution liability.* A financial institution that provides
13 information under par. (c) is not liable to any person for disclosing information to the
14 department under this subsection or for any other action that the financial
15 institution takes in good faith to comply with this subsection.

16 (g) *Penalty.* A financial institution that fails to provide any information
17 required under par. (c) within 120 days from either the date that the information is
18 due or from the date that the department requests the information may be subject
19 to a \$100 penalty for each occurrence of the financial institution's failure to provide
20 account information about an account holder. The department may commence civil
21 proceedings to enforce this subsection if a financial institution fails to provide any
22 information required under par. (c) after 120 days from either the date that the
23 information is due or from the date that the department requests the information.

24 √ (h) *Exceptions.* This subsection does not apply to a financial institution that
25 has assets of less than \$5,000,000.

1 **SECTION 1805.** 71.93 (1) (a) 8. of the statutes is created to read:

2 71.93 (1) (a) 8. Any amount owed to a state agency and collected pursuant to
3 a written agreement between the department of revenue and the state agency as
4 provided under sub. (8) (b), if the debt has been reduced to a judgment or if the state
5 agency or the department has provided the debtor reasonable notice and an
6 opportunity to be heard with regard to the amount owed.

7 **SECTION 1806.** 71.93 (3) (a) of the statutes is amended to read:

8 71.93 (3) (a) ~~In administering this section the department shall first check with~~
9 ~~the state agency certifying the debt to determine whether the debt has been collected~~
10 ~~by other means. If the debt remains uncollected the~~ The department of revenue shall
11 setoff any debt or other amount owed to the department, regardless of the origin of
12 the debt or of the amount, its nature or its date. If after the setoff there remains a
13 refund in excess of \$10, the department shall set off the remaining refund against
14 certified debts of other state agencies. If more than one certified debt exists for any
15 debtor, the refund shall be first set off against the earliest debt certified, except that
16 no child support or spousal support obligation submitted by an agency of another
17 state may be set off until all debts owed to and certified by state agencies of this state
18 have been set off. When all debts have been satisfied, any remaining refund shall
19 be refunded to the debtor by the department. Any legal action contesting a setoff
20 under this paragraph shall be brought against the state agency that certified the
21 debt under sub. (2).

22 **SECTION 1807.** 71.93 (8) of the statutes is renumbered 71.93 (8) (a).

23 **SECTION 1808.** 71.93 (8) (b) of the statutes is created to read:

24 71.93 (8) (b) 1. Except as provided in subd. 2., a state agency and the
25 department of revenue shall enter into a written agreement to have the department

1 collect any amount owed to the state agency that is more than 90 days past due,
2 unless negotiations between the agency and debtor are actively ongoing, the debt is
3 the subject of legal action or administrative proceedings, or the agency determines
4 that the debtor is adhering to an acceptable payment arrangement. At least 30 days
5 before the department pursues the collection of any debt referred by a state agency,
6 either the department or the agency shall provide the debtor with a written notice
7 that the debt will be referred to the department for collection. The department may
8 collect amounts owed, pursuant to the written agreement, from the debtor in
9 addition to offsetting the amounts as provided under sub. (3). The department shall
10 charge each debtor whose debt is subject to collection under this paragraph an
11 amount for administrative expenses and that amount shall be credited to the
12 appropriation under s. 20.566 (1) (h).

13 2. The department may enter into agreements described under subd. 1. with
14 the courts, the legislature, authorities, as defined in s. 16.41 (4), and local units of
15 government.

16 3. Agreements required under subd. 1. shall be completed no later than July
17 1, 2010, except that an agreement may allow a delay or phase-in of referrals.

18 4. The secretary of revenue may waive the referral of certain types of debt. The
19 department's determination that a debt is not collectable does not prevent the
20 referring agency from taking additional collection actions.

21 5. The department may collect debts and assess interest on delinquent
22 amounts under this paragraph in the same manner that it collects taxes and assesses
23 interest under ss. 71.82 (2), 71.91, 71.92, and 73.03 (20). The department's use of tax
24 returns and related information to collect debts under this paragraph is not a
25 violation of s. 71.78, 72.06, 77.61 (5), 78.80 (3), or 139.38 (6).

1 6. If the debtor owes debt to the department and to other entities, payments
2 shall first apply to debts owed to the department, then to the state agencies, the
3 courts, the legislature, and authorities, as defined in s. 16.41 (4), in the order in which
4 the debts were referred to the department, and then to local units of government in
5 the order in which the debts were referred to the department.

6 **SECTION 1811.** 73.03 (52) of the statutes is renumbered 73.03 (52) (a).

7 **SECTION 1812.** 73.03 (52) (b) of the statutes is created to read:

8 73.03 (52) (b) To enter into agreements with the federal department of the
9 treasury that provide for offsetting state payments against federal nontax
10 obligations; and to charge a fee up to \$25 per transaction for such offsets; and
11 offsetting federal payments, as authorized by federal law, against state tax and
12 nontax obligations, and collecting the offset cost from the debtor, if the agreements
13 provide that setoffs under par. (a) and ss. 71.93 and 71.935 occur before the setoffs
14 under this paragraph. The agreement shall provide that the federal department of
15 the treasury may deduct a fee from each administrative offset and state payment
16 offset. For purposes of this paragraph “administrative offset” is any offset of federal
17 payments to collect state debts and “state payment offset” is any offset of state
18 payments to collect federal nontax debts.

19 **SECTION 1814.** 73.03 (64) of the statutes is created to read:

20 73.03 (64) To post on the Internet a list of every person who has had a seller’s
21 permit revoked under s. 77.52 (11). The Internet site shall list the real name,
22 business name, address, revocation date, type of tax due, and amount due, including
23 interests, penalties, fees, and costs, for each person who has had a seller’s permit
24 revoked under s. 77.52 (11). The department shall update the Internet site
25 periodically to add revoked permits and to remove permits that are no longer revoked

1 or for which the permit holder has made sufficient arrangements with the
2 department so that the permit holder may be issued a monthly seller's permit. The
3 department shall update the Internet site quarterly to remove revoked permits for
4 entities that have been out of business for at least one year.

5 **SECTION 1815.** 73.03 (65) of the statutes is created to read:

6 73.03 (65) (a) To enter into agreements with federally recognized American
7 Indian tribes or bands in this state to collect, remit, and provide refunds of the
8 following taxes for activities that occur on tribal lands or are undertaken by tribal
9 members outside of tribal lands:

- 10 1. Income taxes imposed under subch. I of ch. 71.
- 11 2. Withholding taxes imposed under subch. X of ch. 71.
- 12 3. Sales and use taxes under subch. III of ch. 77.
- 13 4. Motor vehicle fuel taxes imposed under subch. I of ch. 78.
- 14 5. Beverage taxes imposed under subch. I of ch. 139.

15 (b) For purposes of this subsection, all tax and financial information disclosed
16 during negotiations, or exchanged pursuant to a final agreement, between the
17 department and a federally recognized American Indian tribe or band in this state
18 is subject to the confidentiality provisions under ss. 71.78 and 77.61 (5).

19 (c) The department shall submit a copy of each agreement negotiated under
20 this subsection to the joint committee on finance no later than 30 days after the
21 agreement is signed by the department and the tribe or band.

22 **SECTION 1815b.** 73.03 (66) of the statutes is created to read:

23 73.03 (66) To promulgate rules to ensure that the payments under s. 79.10 (4)
24 made from the appropriation account under s. 20.835 (3) (qb) are used exclusively for
25 school levy tax credits granted to state residents.

1 **SECTION 1815d.** 73.03 (67) of the statutes is created to read:

2 **73.03 (67)** To submit a request for a supplement under s. 16.515 for
3 administering the debt collection program under s. 71.93 (8) (b) that includes a
4 detailed plan for implementing the program, a listing of agencies and other entities
5 that would participate in the program, an estimate of the amount of debt collections
6 under the program, and the fees that the debtors would pay under the program.

7 **SECTION 1815g.** 73.03 (68) of the statutes is created to read:

8 **73.03 (68)** Beginning in 2010, to submit no later than June 30 of each year a
9 report to the governor, the joint committee on finance, and the legislature, as
10 provided under s. 13.172 (2), that describes the funding and position allocations for
11 activities that are related to enhanced enforcement of state tax laws and that
12 increase state tax revenues, including expenditures incurred for such activities,
13 information regarding the type of activities, projects, and enforcement actions
14 undertaken, the number of taxpayers affected, additional amounts assessed and
15 collected, additional revenues generated, and an analysis of the cost-effectiveness
16 of the activities.

17 **SECTION 1815m.** 73.0305 of the statutes is amended to read:

18 **73.0305 Revenue limits and intradistrict transfer aid calculations.** The
19 department of revenue shall annually determine and certify to the state
20 superintendent of public instruction, no later than the 4th Monday in June, the
21 allowable rate of increase under subch. VII of ch. 121. The allowable rate of increase
22 is the percentage change, if not negative, in the consumer price index for all urban
23 consumers, U.S. city average, between the preceding March 31 and the 2nd
24 preceding March 31, as computed by the federal department of labor.

25 **SECTION 1817p.** 74.09 (3) (gd) of the statutes is created to read:

1 **BEVERAGE TAX; LOCAL RENTAL**
2 **CAR TAX; PREMIER RESORT AREA**
3 **TAXES; STATE RENTAL VEHICLE FEE;**
4 **DRY CLEANING FEES; REGIONAL**
5 **TRANSIT KRM AUTHORITY FEE;**

6 **SECTION 1829g.** 77.02 (1) of the statutes is amended to read:

7 77.02 (1) PETITION. The owner of an entire quarter quarter section, fractional
8 lot or government lot as determined by U.S. government survey plat, excluding
9 public roads and railroad rights-of-way that may have been sold, may file with the
10 department of natural resources a petition stating that the owner believes the lands
11 therein described are more useful for growing timber and other forest crops than for
12 any other purpose, that the owner intends to practice forestry thereon, that all
13 persons holding encumbrances thereon have joined in the petition and requesting
14 that such lands be approved as "Forest Croplands" under this subchapter. Whenever
15 any such land is encumbered by a mortgage or other indenture securing any issue
16 of bonds or notes, the trustee named in such mortgage or indenture or any
17 amendment thereto may join in such petition, and such action shall for the purpose
18 of this section be deemed the action of all holders of such bonds or notes. Land for
19 which a petition is submitted under sub. (4) is exempt from the size requirements
20 specified under this subsection. ↓

21 **SECTION 1829j.** 77.02 (3) of the statutes is amended to read:

22 77.02 (3) DECISION, COPIES. (a) After receiving all the evidence offered at any
23 hearing held on the petition and after making such independent investigation as it
24 sees fit the department shall make its findings of fact and make and enter an order
25 accordingly. If it finds that the facts give reasonable assurance that a stand of

1 merchantable timber will be developed on such descriptions within a reasonable
2 time, and that such descriptions are then held permanently for the growing of timber
3 under sound forestry practices, rather than for agricultural, mineral, shoreland
4 development of navigable waters, recreational, residential or other purposes, and
5 that all persons holding encumbrances against such descriptions have in writing
6 agreed to the petition, the order entered shall grant the request of the petitioner on
7 condition that all unpaid taxes against said descriptions be paid within 30 days
8 thereafter; otherwise the department of natural resources shall deny the request of
9 the petitioner.

10 (b) If the request of the a petitioner is granted under par. (a) or sub. (4), a copy
11 of such order shall be filed with the department of revenue, the supervisor of
12 equalization and the clerk of each town, and the order shall be recorded with the
13 register of deeds of each county, in which any of the lands affected by the order are
14 located. The register of deeds shall record the entry, transfer or withdrawal of all
15 forest croplands in a suitable manner on the county records. The register of deeds
16 may collect recording fees under s. 59.43 (2) from the owner. ~~Any~~

17 (c) Except as provided in sub. (4) (b), any order of the department relating to the
18 entry of forest croplands issued on or before November 20 of any year shall take effect
19 on January 1 of the following calendar year, but all orders issued after November 20
20 shall take effect on January 1 of the calendar year following the calendar year in
21 which orders issued on or before November 20 would have been effective.

22 **SECTION 1829m.** 77.02 (4) of the statutes is created to read:

23 77.02 (4) EXEMPTION FOR CERTAIN SMALLER PARCELS. (a) A landowner of a parcel
24 that is less than a quarter quarter section in size may petition the department of
25 natural resources to allow the land to be entered as forest croplands under this

1 section. The department shall grant the petition and issue an order entering the land
2 as forest croplands if all of the following apply:

3 1. The landowner of the parcel is a nonprofit archery club.

4 2. The parcel of land was part of a quarter quarter section or lot that was
5 entered as forest croplands before January 1, 1968.

6 3. The parcel of land was divided from the section or lot and was sold to the
7 landowner before January 1, 2009.

8 (b) An order issued under par. (a) shall take effect on the date of its issuance.
9 Notwithstanding the 25-year or 50-year requirement under s. 77.03, the date for the
10 ending of a order entered under par. (a) shall be the same date as the date for the
11 ending of the order that applies to the section or lot from which the parcel was
12 divided.

13 (c) Subsections (2) and (3) (a) do not apply to a petition submitted under this
14 subsection.

15 (d) The taxes and penalties under s. 77.10 do not apply to a parcel affected by
16 an order of withdrawal if an order of entry is subsequently issued for the parcel under
17 par. (a). If an order of withdrawal is issued for such a parcel after the issuance of the
18 order for entry under par. (a), the landowner shall be liable for all withdrawal taxes
19 and penalties under s. 77.10 that would have been levied on the parcel if the parcel
20 had continuously been subject to the original order of entry issued for the entire
21 quarter quarter section or lot.

22 **SECTION 1829n.** 77.03 of the statutes is amended to read:

23 **77.03 Taxation of forest croplands.** After the filing and recording of the
24 order with the officers under s. 77.02 (3) the lands described therein shall be "Forest
25 Croplands", on which taxes shall thereafter be payable only as provided under this

1 subchapter. The enactment of ss. 77.01 to 77.14, petition by the owner and the
2 making of the order under s. 77.02 (3) or (4) (a) shall constitute a contract between
3 the state and the owner, running with the lands, for a period of 25 or 50 years at the
4 election of the applicant at the time the petition is filed, unless withdrawn under s.
5 77.10, with privilege of renewal by mutual agreement between the owner and the
6 state, whereby the state as an inducement to owners and prospective purchasers of
7 forest croplands to come under ss. 77.01 to 77.14 agrees that, unless withdrawn
8 under s. 77.10, no change in or repeal of ss. 77.01 to 77.14 shall apply to any land then
9 accepted as forest croplands, except as the department of natural resources and the
10 owner may expressly agree in writing and except as provided in s. 77.17. If at the
11 end of the contract period the land is not designated as managed forest land under
12 subch. VI, the merchantable timber on the land shall be estimated by an estimator
13 jointly agreed upon by the department of natural resources and the owner, and if the
14 department and the owner fail to agree on an estimator, the judge of the circuit court
15 of the district in which the lands lie shall appoint a qualified forester, whose estimate
16 shall be final, and the cost thereof shall be borne jointly by the department of natural
17 resources and the owner; and the 10% severance tax paid on the stumpage thereon
18 in the same manner as if the stumpage had been cut. The owners by such contract
19 consent that the public may hunt and fish on the lands, subject to such rules as the
20 department of natural resources prescribes regulating hunting and fishing.

21 **SECTION 1829ng.** 77.04 (1) of the statutes is amended to read:

22 77.04 (1) TAX ROLL. The clerk on making up the tax roll shall enter as to each
23 forest cropland description in a special column or some other appropriate place in
24 such tax roll headed by the words "Forest Croplands" or the initials "F.C.L.", which
25 shall be a sufficient designation that such description is subject to this subchapter.

1 Such land shall thereafter be assessed and be subject to review under ch. 70, and
2 such assessment may be used by the department of revenue in the determination of
3 the tax upon withdrawal of such lands as forest croplands as provided in s. 77.10 for
4 entries prior to 1972 or for any entry under s. 77.02 (4) (a). The tax upon withdrawal
5 of descriptions entered as forest croplands after December 31, 1971, may be
6 determined by the department of revenue by multiplying the last assessed value of
7 the land prior to the time of the entry by an annual ratio computed for the state under
8 sub. (2) to establish the annual assessed value of the description. No tax shall be
9 levied on forest croplands except the specific annual taxes as provided, except that
10 any building located on forest cropland shall be assessed as personal property,
11 subject to all laws and regulations for the assessment and taxation of general
12 property.

13 **SECTION 1829nr.** 77.04 (2) of the statutes is amended to read:

14 77.04 (2) TAX PER ACRE; PAYMENT; PENALTY. The "acreage share" shall be
15 computed at the rate of 10 cents per acre on all lands entered prior to 1972 or entered
16 under s. 77.02 (4) (a). On all lands entered after December 31, 1971, the "acreage
17 share" shall be computed every 10 years to the nearest cent by the department of
18 revenue at the rate of 20 cents per acre multiplied by a ratio using the equalized value
19 of the combined residential, commercial, manufacturing, agricultural, undeveloped,
20 agricultural forest, and productive forest land classes under s. 70.32 (2) within the
21 state in 1972 as the denominator, and using equalized value for these combined land
22 classes in 1982 and every 10th year thereafter as the numerator. All owners shall
23 pay to the taxation district treasurer the acreage share on each description on or
24 before January 31. If the acreage share is not paid when due to the taxation district
25 treasurer it shall be subject to interest and penalty as provided under ss. 74.11 (11),

1 74.12 (10) and 74.47. These lands shall be returned as delinquent and a tax
2 certificate under subch. VII of ch. 74 shall be issued on them. After 2 years from the
3 date of the issuance of a tax certificate, the county clerk shall promptly take a tax
4 deed under ch. 75. On taking such deed the county clerk shall certify that fact and
5 specify the descriptions to the department of natural resources. ✓

6 **SECTION 1829r.** 77.13 (3) of the statutes is created to read:

7 77.13 (3) Subsections (1) and (2) do not apply to any petition submitted under
8 s. 77.02 (4). ✓

9 **SECTION 1830.** 77.25 (8n) of the statutes is created to read:

10 77.25 (8n) Between an individual and his or her domestic partner under ch.
11 770.

12 **SECTION 1830b.** 77.51 (1a) (a) 5. of the statutes is created to read:

13 77.51 (1a) (a) 5. Newspapers or other news or information products.

14 **SECTION 1830c.** 77.51 (1a) (b) of the statutes, as created by 2009 Wisconsin Act
15 2, is amended to read:

16 77.51 (1a) (b) For purposes of this subchapter, the sale, license, lease, or rental
17 of or the storage, use, or other consumption of a digital code is treated the same as
18 the sale, license, lease, or rental of or the storage, use, or other consumption of any
19 additional digital goods for which the digital code relates.

20 **SECTION 1830d.** 77.51 (2) of the statutes, as affected by 2009 Wisconsin Act 2,
21 is amended to read:

22 77.51 (2) "Contractors" and "subcontractors" are the consumers of tangible
23 personal property or items, ~~property~~, or goods under s. 77.52 (1) (b), (e), or (d) used
24 by them in real property construction activities and the sales and use tax applies to
25 the sale of tangible personal property or items, ~~property~~, or goods under s. 77.52 (1)

1 (b),~~(e)~~, or (d) to them. A contractor engaged primarily in real property construction
2 activities may use resale certificates only with respect to purchases of tangible
3 personal property or items,~~property~~, or goods under s. 77.52 (1) (b),~~(e)~~, or (d) which
4 the contractor has sound reason to believe the contractor will sell to customers for
5 whom the contractor will not perform real property construction activities involving
6 the use of such tangible personal property or items,~~property~~, or goods under s. 77.52
7 (1) (b),~~(e)~~, or (d). In this subsection, "real property construction activities" means
8 activities that occur at a site where tangible personal property or items,~~property~~, or
9 goods under s. 77.52 (1) (b),~~(e)~~, or (d) that are applied or adapted to the use or purpose
10 to which real property is devoted are affixed to that real property, if the intent of the
11 person who affixes that property is to make a permanent accession to the real
12 property. In this subsection, "real property construction activities" does not include
13 affixing property subject to tax under s. 77.52 (1) (c) to real property or affixing to real
14 property tangible personal property or items, property, or goods under s. 77.52 (1) (b),
15 (e), or (d) that remain remains tangible personal property after ~~they are~~ it is affixed.

16 **SECTION 1830e.** 77.51 (3rm) (intro.) of the statutes, as created by 2009
17 Wisconsin Act 2, is amended to read:

18 77.51 (3rm) (intro.) "Finished artwork" means the final art used for actual
19 reproduction by photomechanical or other processes or for display purposes, but does
20 not include Web site or home page designs. "Finished artwork" also includes all of
21 the following items regardless of whether such items are reproduced:

22 **SECTION 1830f.** 77.51 (7h) (a) (intro.) of the statutes, as affected by 2009
23 Wisconsin Act (this act), is repealed and recreated to read:

24 77.51 (7h) (a) (intro.) "Manufacturing" means the production by machinery of
25 a new article of tangible personal property or item or property under s. 77.52 (1) (b)

1 or (c) with a different form, use, and name from existing materials, by a process
2 popularly regarded as manufacturing, and that begins with conveying raw materials
3 and supplies from plant inventory to the place where work is performed in the same
4 plant and ends with conveying finished units of tangible personal property or item
5 or property under s. 77.52 (1) (b) or (c) to the point of first storage in the same plant.

6 “Manufacturing” includes:

7 **SECTION 1831.** 77.51 (7h) (a) 3. of the statutes is created to read:

8 77.51 (7h) (a) 3. Conveying work in progress directly from one manufacturing
9 process to another in the same plant; testing or inspecting, throughout the
10 manufacturing process, the new article of tangible personal property that is being
11 manufactured; storing work in progress in the same plant where the manufacturing
12 occurs; assembling finished units of tangible personal property; and packaging a new
13 article of tangible personal property, if the manufacturer, or another person on the
14 manufacturer’s behalf, performs the packaging and if the packaging becomes part
15 of the new article as it is customarily offered for sale by the manufacturer.

16 **SECTION 1831b.** 77.51 (7h) (a) 3. of the statutes, as created by 2009 Wisconsin
17 Act (this act), is repealed and recreated to read:

18 77.51 (7h) (a) 3. Conveying work in progress directly from one manufacturing
19 process to another in the same plant; testing or inspecting, throughout the
20 manufacturing process, the new article of tangible personal property or item or
21 property under s. 77.52 (1) (b) or (c) that is being manufactured; storing work in
22 progress in the same plant where the manufacturing occurs; assembling finished
23 units of tangible personal property or item or property under s. 77.52 (1) (b) or (c);
24 and packaging a new article of tangible personal property or items or property under
25 s. 77.52 (1) (b) or (c), if the manufacturer, or another person on the manufacturer’s

1 behalf, performs the packaging and if the packaging becomes part of the new article
2 as it is customarily offered for sale by the manufacturer. E

3 **SECTION 1832.** 77.51 (7h) (b) of the statutes is created to read:

4 77.51 (7h) (b) "Manufacturing" does not include storing raw materials or F
5 finished units of tangible personal property, research or development, delivery to or
6 from the plant, or repairing or maintaining plant facilities.

7 **SECTION 1832b.** 77.51 (7h) (b) of the statutes, as created by 2009 Wisconsin Act
8 (this act), is repealed and recreated to read:

9 77.51 (7h) (b) "Manufacturing" does not include storing raw materials or
10 finished units of tangible personal property or items or property under s. 77.52 (1)
11 (b) or (c), research or development, delivery to or from the plant, or repairing or
12 maintaining plant facilities.

13 **SECTION 1833.** 77.51 (10) of the statutes is amended to read:

14 77.51 (10) "Person" includes any natural person, firm, partnership, limited
15 liability company, joint venture, joint stock company, association, public or private
16 corporation, the United States, the state, including any unit or division of the state,
17 any county, city, village, town, municipal utility, municipal power district or other
18 governmental unit, cooperative, unincorporated cooperative association, estate,
19 trust, receiver, personal representative, any other fiduciary, and any representative
20 appointed by order of any court or otherwise acting on behalf of others. "Person" also
21 includes the owner of a single-owner entity that is disregarded as a separate entity
22 under ch. 71.

23 **SECTION 1833b.** 77.51 (10) of the statutes, as affected by 2009 Wisconsin Acts
24 2 and (this act), is repealed and recreated to read: