



**SENATE AMENDMENT 1,
TO SENATE SUBSTITUTE AMENDMENT 1,
TO 2009 SENATE BILL 409**

January 15, 2010 – Offered by JOINT COMMITTEE ON FINANCE.

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

2 **1.** Page 1, line 12: after “credits;” insert “modifying the early stage seed and
3 jobs tax credits;”.

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

5 **“20.143 Commerce, department of**

6 (1) ECONOMIC AND COMMUNITY DEVELOPMENT

7 (cp) Rural outsourcing grants GPR B 250,000 250,000”.

8 **3.** Page 3, line 10: after that line insert:

9 **“SECTION 2g.** 20.143 (1) (cp) of the statutes is created to read:

10 20.143 (1) (cp) *Rural outsourcing grants.* Biennially, the amounts in the
11 schedule for rural outsourcing grants under 2009 Wisconsin Act ... (this act), section

1 45 (1) and to make expenditures authorized under 2009 Wisconsin Act (this act),
2 section 45 (1) (c).

3 **SECTION 2r.** 20.143 (1) (cp) of the statutes, as created by 2009 Wisconsin Act
4 (this act), is repealed.”.

5 **4.** Page 9, line 4: after that line insert:

6 “**SECTION 23d.** 71.07 (3q) (c) 3. of the statutes, as created by 2009 Wisconsin Act
7 28, is amended to read:

8 71.07 (**3q**) (c) 3. The maximum amount of credits that may be awarded under
9 this subsection and ss. 71.28 (3q) and 71.47 (3q) for the period beginning on January
10 1, 2010, and ending on June 30, 2013, is \$14,500,000, not including the amount of
11 any credits reallocated under s. 560.205 (3) (d).

12 **SECTION 23g.** 71.07 (5b) (b) 1. of the statutes is amended to read:

13 71.07 (**5b**) (b) 1. For taxable years beginning after December 31, 2004, subject
14 to the limitations provided under this subsection and s. 560.205, and except as
15 provided in subd. 2., a claimant may claim as a credit against the tax imposed under
16 ss. 71.02 and 71.08, up to the amount of those taxes, 25 percent of the claimant’s
17 investment paid to a fund manager that the fund manager invests in a business
18 certified under s. 560.205 (1), except that, for taxable years beginning after
19 December 31, 2009, and before January 1, 2014, a claimant may claim 40 percent of
20 the claimant’s investment paid to a fund manager that the fund manager invests in
21 a business certified under s. 560.205 (1), if the fund manager has invested no more
22 than \$500,000 in the business and the business has received no more than
23 \$2,000,000 in investments that have qualified for credits under this subsection or s.
24 71.28 (5b) or 71.47 (5b).

1 **SECTION 23h.** 71.07 (5b) (b) 2. of the statutes is amended to read:

2 71.07 **(5b)** (b) 2. In the case of a partnership, limited liability company, or
3 tax–option corporation, the computation of the 25 or 40 percent limitation under
4 subd. 1. shall be determined at the entity level rather than the claimant level and
5 may be allocated among the claimants who make investments in the manner set
6 forth in the entity’s organizational documents. The entity shall provide to the
7 department of revenue and to the department of commerce the names and tax
8 identification numbers of the claimants, the amounts of the credits allocated to the
9 claimants, and the computation of the allocations.”.

10 **5.** Page 12, line 16: after that line insert:

11 “**SECTION 28d.** 71.28 (3q) (c) 3. of the statutes, as created by 2009 Wisconsin Act
12 28, is amended to read:

13 71.28 **(3q)** (c) 3. The maximum amount of credits that may be awarded under
14 this subsection and ss. 71.07 (3q) and 71.47 (3q) for the period beginning on January
15 1, 2010, and ending on June 30, 2013, is \$14,500,000, not including the amount of
16 any credits reallocated under s. 560.205 (3) (d).

17 **SECTION 28g.** 71.28 (5b) (b) 1. of the statutes is amended to read:

18 71.28 **(5b)** (b) 1. For taxable years beginning after December 31, 2004, subject
19 to the limitations provided under this subsection and s. 560.205, and except as
20 provided in subd. 2., a claimant may claim as a credit against the tax imposed under
21 s. 71.23, up to the amount of those taxes, 25 percent of the claimant’s investment paid
22 to a fund manager that the fund manager invests in a business certified under s.
23 560.205 (1), except that, for taxable years beginning after December 31, 2009, and
24 before January 1, 2014, a claimant may claim 40 percent of the claimant’s investment

1 paid to a fund manager that the fund manager invests in a business certified under
2 s. 560.205 (1), if the fund manager has invested no more than \$500,000 in the
3 business and the business has received no more than \$2,000,000 in investments that
4 have qualified for credits under this subsection or s. 71.07 (5b) or 71.47 (5b).

5 **SECTION 28h.** 71.28 (5b) (b) 2. of the statutes is amended to read:

6 71.28 **(5b)** (b) 2. In the case of a partnership, limited liability company, or
7 tax-option corporation, the computation of the 25 or 40 percent limitation under
8 subd. 1. shall be determined at the entity level rather than the claimant level and
9 may be allocated among the claimants who make investments in the manner set
10 forth in the entity's organizational documents. The entity shall provide to the
11 department of revenue and to the department of commerce the names and tax
12 identification numbers of the claimants, the amounts of the credits allocated to the
13 claimants, and the computation of the allocations.”.

14 **6.** Page 15, line 21: after that line insert:

15 “**SECTION 32d.** 71.47 (3q) (c) 3. of the statutes, as created by 2009 Wisconsin Act
16 28, is amended to read:

17 71.47 **(3q)** (c) 3. The maximum amount of credits that may be awarded under
18 this subsection and ss. 71.07 (3q) and 71.28 (3q) for the period beginning on January
19 1, 2010, and ending on June 30, 2013, is \$14,500,000, not including the amount of
20 any credits reallocated under s. 560.205 (3) (d).

21 **SECTION 32g.** 71.47 (5b) (b) 1. of the statutes is amended to read:

22 71.47 **(5b)** (b) 1. For taxable years beginning after December 31, 2004, subject
23 to the limitations provided under this subsection and s. 560.205, and except as
24 provided in subd. 2., a claimant may claim as a credit against the tax imposed under

1 s. 71.43, up to the amount of those taxes, 25 percent of the claimant's investment paid
2 to a fund manager that the fund manager invests in a business certified under s.
3 560.205 (1), except that, for taxable years beginning after December 31, 2009, and
4 before January 1, 2014, a claimant may claim 40 percent of the claimant's investment
5 paid to a fund manager that the fund manager invests in a business certified under
6 s. 560.205 (1), if the fund manager has invested no more than \$500,000 in the
7 business and the business has received no more than \$2,000,000 in investments that
8 have qualified for credits under this subsection or s. 71.07 (5b) or 71.28 (5b).

9 **SECTION 32h.** 71.47 (5b) (b) 2. of the statutes is amended to read:

10 71.47 **(5b)** (b) 2. In the case of a partnership, limited liability company, or
11 tax-option corporation, the computation of the 25 or 40 percent limitation under
12 subd. 1. shall be determined at the entity level rather than the claimant level and
13 may be allocated among the claimants who make investments in the manner set
14 forth in the entity's organizational documents. The entity shall provide to the
15 department of revenue and to the department of commerce the names and tax
16 identification numbers of the claimants, the amounts of the credits allocated to the
17 claimants, and the computation of the allocations.”.

18 **7.** Page 23, line 16: delete the material beginning with that line and ending
19 with page 24, line 7, and substitute:

20 “(1) RURAL OUTSOURCING GRANTS.

21 (a) From the appropriations under section 20.143 (1) (cp), (ie), (ig), (im), and (ir)
22 of the statutes, as affected by this act, the department of commerce may award grants
23 during the 2009–11 fiscal biennium to businesses for outsourcing work to rural
24 municipalities, as defined under section 560.17 (1) (d) of the statutes. The

1 department may award a grant from the appropriation under section 20.143 (1) (cp)
2 of the statutes, as created by this act, only to the extent the unencumbered balances
3 of the appropriations under section 20.143 (1) (ie), (ig), (im), and (ir) of the statutes,
4 as affected by this act, are insufficient to award the grant. The department shall
5 require grantees to obtain funding from sources other than the state in an amount
6 at least equal to the amount of the grant. In determining whether a grantee has
7 obtained sufficient funding from sources other than the state, the department shall
8 credit the grantee's capital expenditures, family supporting wages, rent or other
9 facility costs, electricity costs, equipment leases, and software expenditures. The
10 total amount of grants awarded under this subsection may not exceed \$500,000.

11 (b) Not more than 45 days after the effective date of this paragraph, the
12 department of commerce shall promulgate, as emergency rules under section 227.24
13 of the statutes, rules necessary to administer this subsection. Notwithstanding
14 section 227.24 (1) (a) and (3) of the statutes, the department is not required to provide
15 evidence that promulgating a rule under this subsection as an emergency rule is
16 necessary for the preservation of public peace, health, safety, or welfare and is not
17 required to provide a finding of emergency for a rule promulgated under this
18 subsection.

19 (c) Notwithstanding paragraph (a) if, by the first day of the 12th month
20 beginning after the effective date of the rules promulgated under paragraph (b), the
21 department of commerce has not received applications for grants under this
22 subsection totaling \$500,000, the department may spend an amount equal to the
23 difference between the unencumbered balance of the appropriation account under
24 section 20.143 (1) (cp) of the statutes, as created by this act, and the total amount of
25 grants under this subsection for which it has received applications or \$250,000,

1 whichever is less, from the appropriation under section 20.143 (1) (cp) of the statutes,
2 as created by this act, for any purpose specified under section 20.143 (1) (c) of the
3 statutes, as affected by this act.”.

4 **8.** Page 26, line 18: delete the material beginning with that line and ending
5 with page 27, line 2.

6 **9.** Page 27, line 14: after that line insert:

7 “(6) SMALL BUSINESS OMBUDSMAN FUNDING. In the schedule under section 20.005
8 (3) of the statutes for the appropriation to the department of commerce under section
9 20.143 (1) (a) of the statutes, as affected by the acts of 2009, the dollar amount is
10 increased by \$75,000 for the second fiscal year of the fiscal biennium in which this
11 subsection takes effect to provide supplemental funding so that a
12 previously–authorized 1.0 FTE GPR small business ombudsman position is funded
13 for a full year.”.

14 **10.** Page 27, line 23: delete that line and substitute:

15 “**SECTION 48m. Effective dates.** This act takes effect on the day after
16 publication, except as follows:”.

17 **11.** Page 28, line 2: after that line insert:

18 “(2m) RURAL OUTSOURCING GRANTS. The repeal of section 20.143 (1) (cp) of the
19 statutes takes effect on June 30, 2011.”.

20 (END)