

**2009 DRAFTING REQUEST**

**Senate Amendment (SA-SSA1-SB651)**

Received: **04/17/2010**

Received By: **jkreye**

Wanted: **As time permits**

Companion to LRB:

For: **Jeffrey Plale (608) 266-7505**

By/Representing: **summer**

May Contact:

Drafter: **jkreye**

Subject: **Tax, Business - credits**

Addl. Drafters:

Extra Copies:

Submit via email: **YES**

Requester's email: **Sen.Plale@legis.wisconsin.gov**

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

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**Pre Topic:**

No specific pre topic given

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**Topic:**

Loans for energy improvements; water consumption tax credit

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**Instructions:**

See attached

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**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 04/19/2010	nmatzke 04/19/2010		_____			
/1			phenry 04/20/2010	_____	mbarman 04/20/2010	mbarman 04/20/2010	

FE Sent For:

<END>

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1?	jkreye	1 nwn 4/19	4/ ph	4/ ph			

FE Sent For:

<END>

**Kreye, Joseph**

**From:** Shannon-Bradley, Summer  
**Sent:** Friday, April 16, 2010 4:46 PM  
**To:** Kreye, Joseph  
**Cc:** McKinny, Chris; Lundquist, Lisa  
**Subject:** FW: amendment request

**Attachments:** 20100416152623358.pdf

Hi Joe:

Per Lisa's email, please draft the same amendment to SB 651 for Senator Plale. Please contact me with any questions.

Thanks.

Summer

Summer R. Shannon-Bradley  
Office of Senator Jeff Plale  
(608) 266-7505  
State Capitol, 313 South  
P.O. Box 7882  
Madison, WI 53707-7882

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

Hi Joe,

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

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

Here is the language I am referring to:



2010041615262335  
8.pdf (324 KB)...

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

Thank you!

Lisa  
Office of Speaker Sheridan  
266-3387



State of Wisconsin  
2009 - 2010 LEGISLATURE

a 2328/1  
LRBa2327/1  
JK:rwn:rs

SENATE  
ASSEMBLY AMENDMENT,  
TO ASSEMBLY SUBSTITUTE AMENDMENT 1,  
TO 2009 ASSEMBLY BILL 904  
651

in Mon 4-19  
due Tues 4-20  
by 9 AM

- 1 At the locations indicated, amend the substitute amendment as follows:
- 2 1. Page 1, line 6: after "programs," insert "a water consumption tax credit;"
- 3 2. Page 4, line 8: after that line insert:
- 4 "SECTION 8b. 71.05 (6) (a) 15. of the statutes, as affected by 2009 Wisconsin Act
- 5 28, is amended to read:
- 6 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),
- 7 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3s),
- 8 (3t), (3w), (5e), (5f), (5h), (5i), (5j), (5k), (5rm), and (8r) and not passed through by a
- 9 partnership, limited liability company, or tax-option corporation that has added that
- 10 amount to the partnership's, company's, or tax-option corporation's income under s.
- 11 71.21 (4) or 71.34 (1k) (g).
- 12 SECTION 8c. 71.07 (5rm) of the statutes is created to read:

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

2           1. “Ccf” means 100 cubic feet.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19           1. "Ccf" means 100 cubic feet.

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

12           1. "Ccf" means 100 cubic feet.

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

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

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

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

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

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

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

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

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

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

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

6 (END)