

2009 DRAFTING REQUEST

Senate Amendment (SA-SSA1-SB651)

Received: **04/20/2010**

Received By: **csundber**

Wanted: **As time permits**

Companion to LRB:

For: **Joseph Leibham (608) 266-2056**

By/Representing: **Sean Stephenson**

May Contact:

Drafter: **csundber**

Subject: **Tax, Business - miscellaneous**

Addl. Drafters:

Extra Copies:

Submit via email: **YES**

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

Carbon copy (CC:) to: **christopher.sundberg@legis.wisconsin.gov**

Pre Topic:

No specific pre topic given

Topic:

Credit for concrete forms

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	csundber 04/20/2010	csicilia 04/20/2010		_____			
/1			rschluet 04/20/2010	_____	mbarman 04/20/2010	mbarman 04/20/2010	

FE Sent For:

<END>

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/?	csundber	1 c/s 4/20 10					
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FE Sent For:

<END>

STATE OF WISCONSIN - LEGISLATIVE REFERENCE BUREAU

LRB

Research (608-266-0341)

Library (608-266-7040)

Legal (608-266-3561)

LRB

4/20 Sean Wilsham

AB 773 + AA1 as simple amendment to
SB 651.

Sundberg, Christopher

From: Gary, Aaron
Sent: Tuesday, April 20, 2010 10:21 AM
To: Kreye, Joseph; Kunkel, Mark; Sundberg, Christopher
Cc: Stephenson, Sean
Subject: FW: This would need to be amended for SB 651
Importance: High
Attachments: AB773-AA1[1].pdf

Joe, Mark, Chris,

Here's a request from Sen. Leibham for a companion amendment drafted by Joe to a bill drafted by Mark and Chris. Somebody please claim it and let Sean know. I have not entered it.

Thanks. Aaron

Aaron R. Gary
Attorney, Legislative Reference Bureau
608.261.6926 (voice)
608.264.6948 (fax)
aaron.gary@legis.state.wi.us

From: Stephenson, Sean
Sent: Tuesday, April 20, 2010 10:16 AM
To: Gary, Aaron
Subject: This would need to be amended for SB 651
Importance: High

Sean Stephenson
Office of Senator Joe Leibham
Sean.Stephenson@legis.wisconsin.gov
888.295.8750
P.O. Box 7882
Madison, WI 53707-7882

Date (time) needed NOW

LRBa 2444 / 1

AMENDMENT

CTS : gjs :

See form **AMENDMENTS — COMPONENTS & ITEMS.**

(S) A AMENDMENT

~~TO S A AMENDMENT~~ (LRBa /),

TO (S) X SUBSTITUTE AMENDMENT 1 (LRBs /),

TO 2005 (SB) ~~SR AB~~ 651 (LRB- /)

but with

At the locations indicated, amend the _____ as follows:

(fill ONLY if "engrossed" or "as shown by")

#. Page 1, line 6: after programs insert income and franchise tax credits for insulating concrete forms used to construct a building

#. Page 4, line 8: after that line insert:

(insert)

#. Page 6, line 20: after that line insert:

(insert)
B

#. Page 6, line 20: (END)

#. Page 6, line 20



2009 ASSEMBLY BILL 773

Insert A

February 24, 2010 – Introduced by Representative VAN AKKEREN, cosponsored by Senator LEIBHAM. Referred to Committee on Jobs, the Economy and Small Business.

1 AN ACT *to amend* 71.05 (6) (a) 15., 71.21 (4), 71.26 (2) (a) 4., 71.34 (1k) (g), 71.45
2 (2) (a) 10. and 77.92 (4); and *to create* 71.07 (3x), 71.10 (4) (cr), 71.28 (3x), 71.30
3 (3) (dn), 71.47 (3x) and 71.49 (1) (dn) of the statutes; **relating to:** income and
4 franchise tax credits for insulating concrete forms used to construct a building.

Analysis by the Legislative Reference Bureau

This bill creates an income and franchise tax credit equal to the amount that the taxpayer pays in the taxable year to purchase insulating concrete forms used to construct a building. If the amount of the credit exceeds the taxpayer's tax liability, the taxpayer does not receive a refund, but may claim the amount of any unused credit in subsequent taxable years.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

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

Sm

insert A continues

ASSEMBLY BILL 773

SECTION 1

Insert continued

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

17

SECTION 2. 71.07 (3x) of the statutes is created to read:

8n

8 71.07 (3x) INSULATING CONCRETE FORMS CREDIT. (a) *Definitions.* In this
 9 subsection:

- 10 1. "Claimant" means a person who files a claim under this subsection.
- 11 2. "Insulating concrete form" means a hollow expandable polystyrene form
 12 system that is filled with concrete, but does not include the concrete used to fill the
 13 form.

16

14 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
 15 claimant may claim as a credit against the taxes imposed under s. 71.02, up to the
 16 amount of the taxes, an amount equal to the amount that the claimant paid in the
 17 taxable year to purchase for use in this state insulating concrete forms used to
 18 construct the insulated exterior and interior walls of any building.

10 percent of

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

ASSEMBLY BILL 773

insert continued

1 Partners, members of limited liability companies, and shareholders of tax-option
2 corporations may claim the credit in proportion to their ownership interests.

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

5 SECTION 3. 71.10 (4) (cr) of the statutes is created to read:

6 71.10 (4) (cr) Insulating concrete forms credit under s. 71.07 (3x). *80*

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

9 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
10 (2dj), (2dL), (2dm), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3s), (3t), (3w),
11 ~~(3x)~~, (5e), (5f), (5g), (5h), (5i), (5j), (5k), and (8r) and passed through to partners shall
12 be added to the partnership's income.

13 SECTION 5. 71.26 (2) (a) 4. of the statutes, as affected by 2009 Wisconsin Act 28,
14 is amended to read: *8q*

15 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dd),
16 (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3t),
17 (3w), ~~(3x)~~, (5e), (5f), (5g), (5h), (5i), (5j), (5k), and (8r) and not passed through by a
18 partnership, limited liability company, or tax-option corporation that has added that
19 amount to the partnership's, limited liability company's, or tax-option corporation's
20 income under s. 71.21 (4) or 71.34 (1k) (g).

21 SECTION 6. 71.28 (3x) of the statutes is created to read:

22 71.28 (3x) INSULATING CONCRETE FORMS CREDIT. (a) *Definitions.* In this
23 subsection:

24 1. "Claimant" means a person who files a claim under this subsection.

ASSEMBLY BILL 773

Insert A continued

1 2. "Insulating concrete form" means a hollow expandable polystyrene form
2 system that is filled with concrete, but does not include the concrete used to fill the
3 form.

4 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
5 claimant may claim as a credit against the taxes imposed under s. 71.23, up to the
6 amount of the taxes, an amount equal to the amount that the claimant paid in the
7 taxable year to purchase for use in this state *10 percent of* insulating concrete forms used to
8 construct the insulated exterior and interior walls of any building.

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

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

19 SECTION ~~7~~ 71.30 (3) (dn) of the statutes is created to read:
20 71.30 ~~(3)~~ (dn) ~~Insulating concrete forms credit under s. 71.28 (3x).~~ *8s*

21 SECTION ~~8~~ 71.34 (1k) (g) of the statutes, as affected by 2009 Wisconsin Act 28,
22 is amended to read: ~~#~~ *8t*

23 71.34 (1k) (g) An addition shall be made for credits computed by a tax-option
24 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy),

ASSEMBLY BILL 773

insert continued

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

3 SECTION ~~9~~ 71.45 (2) (a) 10. of the statutes, as affected by 2009 Wisconsin Act
 4 28, is amended to read: ~~84~~ 84

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

12 SECTION ~~10~~ 71.47 (3x) of the statutes is created to read:

13 71.47 (3x) INSULATING CONCRETE FORMS CREDIT. (a) *Definitions*. In this
 14 subsection:

15 1. "Claimant" means a person who files a claim under this subsection.

16 2. "Insulating concrete form" means a hollow expandable polystyrene form
 17 system that is filled with concrete, but does not include the concrete used to fill the
 18 form.

19 (b) *Filing claims*. Subject to the limitations provided in this subsection, a
 20 claimant may claim as a credit against the taxes imposed under s. 71.43, up to the
 21 amount of the taxes, an amount equal to the amount that the claimant paid in the
 22 taxable year to purchase for use in this state insulating concrete forms used to
 23 construct the insulated exterior and interior walls of any building.

24 (c) *Limitations*. Partnerships, limited liability companies, and tax-option
 25 corporations may not claim the credit under this subsection, but the eligibility for,

ASSEMBLY BILL 773

insert continued

1 and the amount of, the credit are based on their payment of the amounts described
 2 under par. (b). A partnership, limited liability company, or tax-option corporation
 3 shall compute the amount of credit that each of its partners, members, or
 4 shareholders may claim and shall provide that information to each of them.
 5 Partners, members of limited liability companies, and shareholders of tax-option
 6 corporations may claim the credit in proportion to their ownership interests.

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

9 SECTION ~~71.49~~ ^{8w} 71.49 (1) (dn) of the statutes is created to read:

10 71.49 (1) (dn) Insulating concrete forms credit under s. 71.47 (3x).

11 SECTION ~~77.92~~ ^{8x} 77.92 (4) of the statutes, as affected by 2009 Wisconsin Act 28, is
 12 amended to read:

13 77.92 (4) “Net business income,” with respect to a partnership, means taxable
 14 income as calculated under section 703 of the Internal Revenue Code; plus the items
 15 of income and gain under section 702 of the Internal Revenue Code, including taxable
 16 state and municipal bond interest and excluding nontaxable interest income or
 17 dividend income from federal government obligations; minus the items of loss and
 18 deduction under section 702 of the Internal Revenue Code, except items that are not
 19 deductible under s. 71.21; plus guaranteed payments to partners under section 707
 20 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),
 21 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3s),
 22 (3t), (3w), ~~(3x)~~ (5e), (5f), (5g), (5h), (5i), (5j), (5k), and (8r); and plus or minus, as
 23 appropriate, transitional adjustments, depreciation differences, and basis
 24 differences under s. 71.05 (13), (15), (16), (17), and (19); but excluding income, gain,
 25 loss, and deductions from farming. “Net business income,” with respect to a natural

ASSEMBLY BILL 773

Insert A continued

1 person, estate, or trust, means profit from a trade or business for federal income tax
2 purposes and includes net income derived as an employee as defined in section 3121

3 (d) (3) of the Internal Revenue Code. *End Insert A*

4 *SECTION 13. Initial applicability.*

5 (1) *This act* first applies to taxable years beginning on January 1, 2010.

6

Insert B

The treatment of sections
71.05 (b) (a) 15, 71.07 (3x), 71.10 (4) (cr),
71.21 (4), 71.26 (2) (a) 4, 71.28 (3x),
71.30 (3) (dn), 71.34 (1k) (g), 71.45
(2) (a) 10, 71.47 (3x), 71.49 (1) (dn),
and 77.92 (4) of the statutes