



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2009 Assembly Bill 853

Assembly Amendments 1 and 2

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Contact: Mary Matthias, Senior Staff Attorney (266-0932)

Assembly Bill 853 establishes a job creation tax benefit for certain businesses that hire new full-time employees after February 3, 2010 and before January 1, 2011. A business is eligible for the tax benefit only if it employs no more than 10 employees during the taxable year for which the employer seeks to claim the tax benefit. The employees must meet specified criteria in order for the employer to receive the tax benefit. As drafted, the bill provides that an employer may retain as a tax benefit an amount equal to the increase in an employer's *payroll* for full-time employees in the year for which the benefit is claimed over the payroll for full-time employees in 2009, as long as the increase in payroll is attributable to hiring the new full-time employees (referred to in the bill as "eligible employees").

Assembly Amendment 1 instead provides that the employer may retain as a tax benefit the amount of the *individual income taxes withheld* by the employer on behalf of the eligible employees.

Assembly Amendment 2 specifies that a provision in current law that prohibits the Legislature from enacting any bill that would cause the estimated general fund balance to fall below a specified level does not apply to enactment of the bill.

Legislative History

Assembly Amendment 1 was offered by Representative Hintz on April 1, 2010. Assembly Amendment 2 was offered by the Joint Committee on Finance on April 7, 2010. On April 9, 2010, the Joint Committee on Finance recommended adoption of Assembly Amendment 1 on a vote of Ayes, 15; Noes, 0, and adoption of Assembly Amendment 2 on a vote of Ayes, 11; Noes, 4. The committee recommended passage of the bill, as amended, on a vote of Ayes, 15; Noes, 0.

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