

**2011 Se1 DRAFTING REQUEST**

**Bill**

Received: **10/05/2011**

Received By: **jkreye**

Wanted: **Today**

Companion to LRB: **-3077**

For: **Scott Fitzgerald (608) 266-5660**

By/Representing: **rob**

May Contact:

Drafter: **jkreye**

Subject: **Tax, Business - credits**

Addl. Drafters:

Extra Copies:

Submit via email: **YES**

Requester's email: **Sen.Fitzgerald@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:**

Allowing refunds for early stage seed and angel investment credits

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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 10/05/2011	wjackson 10/05/2011		_____			State
/1			jfrantze 10/05/2011	_____	lparisi 10/05/2011	lparisi 10/05/2011	

FE Sent For:

<END>

at  
intro

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1?	jkreye	1 WLJ 10/5	<i>Jb</i>	10/5			

FE Sent For:

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State of Wisconsin  
2011 - 2012 LEGISLATURE



LRB-0800/1  
JK:wlj:md

Sept 2011 by sen

Stays

3078/11

**2011 ASSEMBLY BILL 20**

February 8, 2011 – Introduced by Representatives BARCA, SEIDEL, HINTZ, VRUWINK, MILROY, PASCH, MOLEPSKE JR, DANOU, TURNER, SINICKI, FIELDS, BERCEAU, SHILLING, CLARK, POPE-ROBERTS, JORGENSEN, BERNARD SCHABER, D. CULLEN and HEBL, cosponsored by Senators LASSA, S. COGGS and ERPENBACH. Referred to Committee on Jobs, Economy and Small Business.

Regen

Today 10-5

1 AN ACT *to amend* 71.07 (5b) (d) 1., 71.07 (5d) (d) 2., 71.10 (4) (gwb), 71.10 (4) (gx),  
2 71.10 (4) (i), 71.28 (5b) (d) 1., 71.30 (3) (eop), 71.30 (3) (f), 71.47 (5b) (d) 1., 71.49  
3 (1) (eop) and 71.49 (1) (f); and *to create* 20.835 (2) (ba), 71.07 (5b) (d) 1m., 71.07  
4 (5b) (d) 4., 71.07 (5d) (d) 2m., 71.07 (5d) (d) 5., 71.28 (5b) (d) 1m., 71.28 (5b) (d)  
5 4., 71.47 (5b) (d) 1m. and 71.47 (5b) (d) 4. of the statutes; **relating to:** allowing  
6 refunds for the early stage seed and angel investment tax credits and making  
7 an appropriation.

***Analysis by the Legislative Reference Bureau***

Under current law, a taxpayer may claim early stage seed and angel investment income and franchise tax credits for the taxpayer's investments in qualified new businesses. If the credit amounts exceed the taxpayer's tax liability, the taxpayer does not receive a refund, but, instead, may apply the amount of the unused credits to subsequent taxable years. Under this bill, if the credit amounts exceed the taxpayer's tax liability, the taxpayer receives a refund.

**ASSEMBLY BILL 20**

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

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

1           **SECTION 1.** 20.835 (2) (ba) of the statutes is created to read:

2           20.835 (2) (ba) *Early stage seed and angel investment credits.* A sum sufficient  
3 to make the payments under ss. 71.07 (5b) (d) 4. and (5d) (d) 5., 71.28 (5b) (d) 4., and  
4 71.47 (5b) (d) 4.

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

6           71.07 (5b) (d) 1. ~~Section~~ For taxable years beginning before January 1, 2011,  
7 s. 71.28 (4) (e) to (h), as it applies to the credit under s. 71.28 (4), applies to the credit  
8 under this subsection.

9           **SECTION 3.** 71.07 (5b) (d) 1m. of the statutes is created to read:

10          71.07 (5b) (d) 1m. For taxable years beginning after December 31, 2010, s.  
11 71.28 (4) (e), (g), and (h), as it applies to the credit under s. 71.28 (4), applies to the  
12 credit under this subsection.

13          **SECTION 4.** 71.07 (5b) (d) 4. of the statutes is created to read:

14          71.07 (5b) (d) 4. For taxable years beginning after December 31, 2010, if the  
15 allowable amount of the claim under par. (b) exceeds the tax otherwise due under s.  
16 71.02 or 71.08, the amount of the claim not used to offset the tax due shall be certified  
17 by the department of revenue to the department of administration for payment by  
18 check, share draft, or other draft drawn from the appropriation account under s.  
19 20.835 (2) (ba).

20          **SECTION 5.** 71.07 (5d) (d) 2. of the statutes is amended to read:

**ASSEMBLY BILL 20**

1           71.07 (5d) (d) 2. ~~Section~~ For taxable years beginning before January 1, 2011,  
2           s. 71.28 (4) (e) to (h), as it applies to the credit under s. 71.28 (4), applies to the credit  
3           under this subsection.

4           **SECTION 6.** 71.07 (5d) (d) 2m. of the statutes is created to read:

5           71.07 (5d) (d) 2m. For taxable years beginning after December 31, 2010, s.  
6           71.28 (4) (e), (g), and (h), as it applies to the credit under s. 71.28 (4), applies to the  
7           credit under this subsection.

8           **SECTION 7.** 71.07 (5d) (d) 5. of the statutes is created to read:

9           71.07 (5d) (d) 5. For taxable years beginning after December 31, 2010, if the  
10          allowable amount of the claim under par. (b) exceeds the tax otherwise due under s.  
11          71.02 or 71.08, the amount of the claim not used to offset the tax due shall be certified  
12          by the department of revenue to the department of administration for payment by  
13          check, share draft, or other draft drawn from the appropriation account under s.  
14          20.835 (2) (ba).

15          **SECTION 8.** 71.10 (4) (gwb) of the statutes is amended to read:

16          71.10 (4) (gwb) Early stage seed investment credit under s. 71.07 (5b), except  
17          as provided under par. (i).

18          **SECTION 9.** 71.10 (4) (gx) of the statutes is amended to read:

19          71.10 (4) (gx) Angel investment credit under s. 71.07 (5d), except as provided  
20          under par. (i).

21          **SECTION 10.** 71.10 (4) (i) of the statutes is amended to read:

22          71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland  
23          preservation credit under ss. 71.57 to 71.61, farmland preservation credit, 2010 and  
24          beyond under s. 71.613, homestead credit under subch. VIII, farmland tax relief  
25          credit under s. 71.07 (3m), dairy manufacturing facility investment credit under s.

**ASSEMBLY BILL 20****SECTION 10**

1 71.07 (3p), jobs tax credit under s. 71.07 (3q), meat processing facility investment  
2 credit under s. 71.07 (3r), woody biomass harvesting and processing credit under s.  
3 71.07 (3rm), food processing plant and food warehouse investment credit under s.  
4 71.07 (3rn), early stage seed investment credit under s. 71.07 (5b) (d) 4., angel  
5 investment credit under s. 71.07 (5d) (d) 5., film production services credit under s.  
6 71.07 (5f), film production company investment credit under s. 71.07 (5h), veterans  
7 and surviving spouses property tax credit under s. 71.07 (6e), enterprise zone jobs  
8 credit under s. 71.07 (3w), beginning farmer and farm asset owner tax credit under  
9 s. 71.07 (8r), earned income tax credit under s. 71.07 (9e), estimated tax payments  
10 under s. 71.09, and taxes withheld under subch. X.

11 **SECTION 11.** 71.28 (5b) (d) 1. of the statutes is amended to read:

12 71.28 (5b) (d) 1. Subsection For taxable years beginning before January 1,  
13 2011, sub. (4) (e) to (h), as it applies to the credit under sub. (4), applies to the credit  
14 under this subsection.

15 **SECTION 12.** 71.28 (5b) (d) 1m. of the statutes is created to read:

16 71.28 (5b) (d) 1m. For taxable years beginning after December 31, 2010, sub.  
17 (4) (e), (g), and (h), as it applies to the credit under sub. (4), applies to the credit under  
18 this subsection.

19 **SECTION 13.** 71.28 (5b) (d) 4. of the statutes is created to read:

20 71.28 (5b) (d) 4. For taxable years beginning after December 31, 2010, if the  
21 allowable amount of the claim under par. (b) exceeds the tax otherwise due under s.  
22 71.23, the amount of the claim not used to offset the tax due shall be certified by the  
23 department of revenue to the department of administration for payment by check,  
24 share draft, or other draft drawn from the appropriation account under s. 20.835 (2)  
25 (ba).

**ASSEMBLY BILL 20**

1           **SECTION 14.** 71.30 (3) (eop) of the statutes is amended to read:

2           71.30 (3) (eop) Early stage seed investment credit under s. 71.28 (5b), except  
3 as provided under par. (f).

4           **SECTION 15.** 71.30 (3) (f) of the statutes is amended to read:

5           71.30 (3) (f) The total of farmland preservation credit under subch. IX,  
6 farmland tax relief credit under s. 71.28 (2m), dairy manufacturing facility  
7 investment credit under s. 71.28 (3p), jobs credit under s. 71.28 (3q), meat processing  
8 facility investment credit under s. 71.28 (3r), woody biomass harvesting and  
9 processing credit under s. 71.28 (3rm), food processing plant and food warehouse  
10 investment credit under s. 71.28 (3rn), enterprise zone jobs credit under s. 71.28  
11 (3w), early stage seed investment credit under s. 71.28 (5b) (d) 4., film production  
12 services credit under s. 71.28 (5f), film production company investment credit under  
13 s. 71.28 (5h), beginning farmer and farm asset owner tax credit under s. 71.28 (8r),  
14 and estimated tax payments under s. 71.29.

15           **SECTION 16.** 71.47 (5b) (d) 1. of the statutes is amended to read:

16           71.47 (5b) (d) 1. ~~Section~~ For taxable years beginning before January 1, 2011,  
17 s. 71.28 (4) (e) to (h), as it applies to the credit under s. 71.28 (4), applies to the credit  
18 under this subsection.

19           **SECTION 17.** 71.47 (5b) (d) 1m. of the statutes is created to read:

20           71.47 (5b) (d) 1m. For taxable years beginning after December 31, 2010, s.  
21 71.28 (4) (e), (g), and (h), as it applies to the credit under s. 71.28 (4), applies to the  
22 credit under this subsection.

23           **SECTION 18.** 71.47 (5b) (d) 4. of the statutes is created to read:

24           71.47 (5b) (d) 4. For taxable years beginning after December 31, 2010, if the  
25 allowable amount of the claim under par. (b) exceeds the tax otherwise due under s.

**ASSEMBLY BILL 20****SECTION 18**

1 71.43, the amount of the claim not used to offset the tax due shall be certified by the  
2 department of revenue to the department of administration for payment by check,  
3 share draft, or other draft drawn from the appropriation account under s. 20.835 (2)  
4 (ba).

5 **SECTION 19.** 71.49 (1) (eop) of the statutes is amended to read:

6 71.49 (1) (eop) Early stage seed investment credit under s. 71.47 (5b), except  
7 as provided under par. (f).

8 **SECTION 20.** 71.49 (1) (f) of the statutes is amended to read:

9 71.49 (1) (f) The total of farmland preservation credit under subch. IX,  
10 farmland tax relief credit under s. 71.47 (2m), dairy manufacturing facility  
11 investment credit under s. 71.47 (3p), jobs credit under s. 71.47 (3q), meat processing  
12 facility investment credit under s. 71.47 (3r), woody biomass harvesting and  
13 processing credit under s. 71.47 (3rm), food processing plant and food warehouse  
14 investment credit under s. 71.47 (3rn), enterprise zone jobs credit under s. 71.47  
15 (3w), early stage seed investment credit under s. 71.47 (5b) (d) 4., film production  
16 services credit under s. 71.47 (5f), film production company investment credit under  
17 s. 71.47 (5h), beginning farmer and farm asset owner tax credit under s. 71.47 (8r),  
18 and estimated tax payments under s. 71.48.

19 **SECTION 21. Effective date.**

20 (1) This act takes effect on the day after publication of the 2011–2013 biennial  
21 budget act.

22 (END)