

2011 DRAFTING REQUEST

Bill

Received: **01/07/2011**

Received By: **jkreye**

Wanted: **As time permits**

Companion to LRB:

For: **Alberta Darling (608) 266-5830**

By/Representing: **james**

May Contact:

Drafter: **jkreye**

Subject: **Tax, Business - credits**

Addl. Drafters: **csundber**

Extra Copies:

Submit via email: **YES**

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

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Tax credit for green data centers

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>
/?	jkreye 01/07/2011	jdyer 01/07/2011		_____			State
/1	jkreye 01/11/2011		rschluet 01/07/2011	_____	lparisi 01/07/2011	lparisi 03/07/2011	

FE Sent For:

<END>

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/1	jkreye		rschluet 01/07/2011	_____	lparisi 01/07/2011		

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<END>

2011 DRAFTING REQUEST

Bill

Received: 01/07/2011

Received By: jkreye

Wanted: As time permits

Companion to LRB:

For: Scott Fitzgerald (608) 266-5660

By/Representing: dan

May Contact:

Drafter: jkreye

Subject: Tax, Business - credits

Addl. Drafters: csundber

Extra Copies:

Submit via email: YES

Requester's email: Sen.Fitzgerald@legis.wisconsin.gov

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Tax credit for green data centers

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>
/?	jkreye 01/07/2011	jdyer 01/07/2011		_____			State
/1			rschluet 01/07/2011	_____	lparisi 01/07/2011		

FE Sent For:

<END>

2011 DRAFTING REQUEST

Bill

Received: **01/07/2011**

Received By: **jkreye**

Wanted: **As time permits**

Companion to LRB:

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

By/Representing: **dan**

May Contact:

Drafter: **jkreye**

Subject: **Tax, Business - credits**

Adl. Drafters: **csundber**

Extra Copies:

Submit via email: **YES**

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

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given


Topic:

Tax credit for green data centers

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>
/?	jkreye	1/7 jld		_____			

FE Sent For:

<END>

Kreye, Joseph

From: Romportl, Daniel
Sent: Friday, January 07, 2011 8:22 AM
To: Kreye, Joseph
Cc: Sundberg, Christopher
Subject: Draft request - RUSH

Good Morning,

We would like to request a re-draft of 2007 Senate Bill 73, relating to creating an income and franchise tax credit for "green data centers."

This is a **RUSH**.

Thank you,

Dan Romportl

*Policy Director
Office of Senator Scott Fitzgerald
Senate Majority Leader*

*Phone: 608-266-5660
daniel.romportl@legis.wisconsin.gov*

0932/11

LRB-0013/1
JK&CTS:jld:jf

↑
keep

2011 BILL

in En. 1-7
NOW

~~2007 SENATE BILL 73~~

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February 27, 2007 - Introduced by Senators KANAVAS, DARLING and LEIBHAM, cosponsored by Representatives STRACHOTA, HAHN, PETROWSKI, PRIDEMORE, KLEEFISCH and GUNDERSON. Referred to Committee on Campaign Finance Reform, Rural Issues and Information Technology.

no gen

X

1 AN ACT *to amend* 71.05 (6) (a) 15., 71.08 (1) (intro.), 71.21 (4), 71.26 (2) (a), 71.34
2 (1) (g), 71.45 (2) (a) 10. and 77.92 (4); and *to create* 71.07 (5i), 71.10 (4) (gab),
3 71.28 (5i), 71.30 (3) (dq), 71.47 (5i) and 71.49 (1) (dq) of the statutes; **relating**
4 **to:** creating an income and franchise tax credit for constructing and operating
5 a data center that is designed for maximum energy efficiency and minimum
6 environmental impact and providing an exemption from rule-making
7 procedures.

Analysis by the Legislative Reference Bureau

This bill creates an income and franchise tax credit in an amount equal to the amount a person paid in the taxable year for items that are either energy efficient or have a minimal environmental impact and that are used to construct or operate a "green data center." Under the bill, a green data center is a repository for the storage, management, and dissemination of data, if the mechanical, lighting, electrical, and computer systems of the real property in which the repository is located are designed for maximum energy efficiency and minimum environmental impact.

SENATE BILL 73

For further information see the *state* 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:

1 **SECTION 1.** 71.05 (6) (a) 15. of the statutes is amended to read:

2 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),

3 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3n), (3s), (3t), (3w), (5b), (5d), and

4 (5e), (5f), and (5h), and (5i) and not passed through by a partnership, limited liability

5 company, or tax-option corporation that has added that amount to the partnership's,

6 company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g).

INSERT
2-6

7 **SECTION 2.** 71.07 ~~WA~~ of the statutes is created to read:

8 (6n) 71.07 (5i) GREEN DATA CENTER CREDIT. (a) *Definitions.* In this subsection:

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

10 2. "Green data center" means a repository for the storage, management, and

11 dissemination of data, if the mechanical, lighting, electrical, and computer systems

12 of the real property in which the repository is located are designed for maximum

13 energy efficiency and minimum environmental impact. ✓

14 3. "Reduced amount" means an amount that is at least 25 percent less than the

15 maximum amount allowed under federal law. ✓

16 (b) *Filing claims.* Subject to the limitations provided in this subsection and

17 (2007) Wisconsin Act (this act), section 14, for taxable years beginning after June

18 30, 2007, and before July 1, 2009, a claimant may claim as a credit against the taxes

19 imposed under s. 71.02 or 71.08, up to the amount of the taxes, the amount that the

20 claimant paid in the taxable year for the following items that are used to construct

21 and operate a green data center:

2011 ✓

2007 ✓

2011 ✓

2013 ✓

a.s. ✓

SENATE BILL 73

- 1 1. At least 2[✓] of the following:
- 2 a. Low-emission[✓] building materials, including carpets and paints.
- 3 b. Sustainable landscaping[✓].
- 4 c. An electronic waste recycling program, as defined by the department.[✓]
- 5 2. At least 2[✓] of the following:
- 6 a. Catalytic converters on back-up[✓] generators.
- 7 b. Photovoltaics.
- 8 c. Heat pumps.
- 9 d. Evaporative cooling.
- 10 3. Equipment or equipment components that have a reduced amount, or none,
- 11 of at least 4[✓] of the following:
- 12 a. Mercury.
- 13 b. Cadmium.
- 14 c. Lead.
- 15 d. Chromium VI.
- 16 e. Polybrominated biphenyls.
- 17 f. Polybrominated diphenyl ether.
- 18 (c) *Limitations*.[✓] 1. The maximum amount of all credits that may be claimed
- 19 under this subsection and ss. 71.28[✓] (5)⁽⁶ⁿ⁾ and 71.47[✓] (5) is \$2,000,000. No claimant may
- 20 claim a credit under this subsection unless the claimant submits with the claimant's
- 21 return a copy of the claimant's certification for credits under 2007[✓] Wisconsin Act
- 22 (this act), section 14.^{← a.r.} 2011[✓]
- 23 2. Partnerships, limited liability companies, and tax-option corporations may
- 24 not claim the credit under this subsection, but the eligibility for, and the amount of,
- 25 the credit are based on their payment of amounts under par. (b).[✓] A partnership,

SENATE BILL 73

1 limited liability company, or tax-option corporation shall compute the amount of
2 credit that each of its partners, members, or shareholders may claim and shall
3 provide that information to each of them. Partners, members of limited liability
4 companies, and shareholders of tax-option corporations may claim the credit in
5 proportion to their ownership interests. ✓

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

8 SECTION 3. 71.08 (1) (intro.) of the statutes is amended to read:

9 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married
10 couple filing jointly, trust, or estate under s. 71.02, not considering the credits under
11 ss. 71.07 (1), (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2fd), ~~(3e), (3e)~~, (3m),
12 (3n), (3s), (3t), (3w), (5b), (5d), (5e), (5f), (5i), (6), (6e), and (9e), 71.28 (1dd), (1de), (1di),
13 (1dj), (1dL), (1ds), (1dx), (1fd), (2m), (3), (3n), (3t), and (3w), and 71.47 (1dd), (1de),
14 (1di), (1dj), (1dL), (1ds), (1dx), (1fd), (2m), (3), (3n), (3t), and (3w), and subchs. VIII
15 and IX and payments to other states under s. 71.07 (7), is less than the tax under this
16 section, there is imposed on that natural person, married couple filing jointly, trust
17 or estate, instead of the tax under s. 71.02, an alternative minimum tax computed
18 as follows:

19 SECTION 4. 71.10 (4) ^(cr) ~~(gab)~~ of the statutes is created to read:

20 71.10 (4) ^(cr) ~~(gab)~~ Green data center credit under s. 71.07 ^(cr) ~~(5i)~~ ⁽⁶ⁿ⁾

21 SECTION 5. 71.21 (4) of the statutes is amended to read:

22 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
23 (2dj), (2dL), (2dm), (2ds), (2dx), (3g), (3n), (3s), (3t), (3w), (5b), (5e), (5f), (5g), and (5h),
24 and (5i) and passed through to partners shall be added to the partnership's income.

25 SECTION 6. 71.26 (2) (a) of the statutes is amended to read:

SENATE BILL 73

1 71.26 (2) (a) *Corporations in general.* The "net income" of a corporation means
 2 the gross income as computed under the Internal Revenue Code as modified under
 3 sub. (3) minus the amount of recapture under s. 71.28 (1di) plus the amount of credit
 4 computed under s. 71.28 (1), (3), (4), and (5) minus, as provided under s. 71.28 (3) (c)
 5 7., the amount of the credit under s. 71.28 (3) that the taxpayer added to income
 6 under this paragraph at the time that the taxpayer first claimed the credit plus the
 7 amount of the credit computed under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm),
 8 (1ds), (1dx), (3g), (3n), (3t), (3w), (5b), (5e), (5f), (5g), ~~and (5h)~~, and (5i) and not passed
 9 through by a partnership, limited liability company, or tax-option corporation that
 10 has added that amount to the partnership's, limited liability company's, or
 11 tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g) plus the amount
 12 of losses from the sale or other disposition of assets the gain from which would be
 13 wholly exempt income, as defined in sub. (3) (L), if the assets were sold or otherwise
 14 disposed of at a gain and minus deductions, as computed under the Internal Revenue
 15 Code as modified under sub. (3), plus or minus, as appropriate, an amount equal to
 16 the difference between the federal basis and Wisconsin basis of any asset sold,
 17 exchanged, abandoned, or otherwise disposed of in a taxable transaction during the
 18 taxable year, except as provided in par. (b) and s. 71.45 (2) and (5).

INSERT
5-18

19 SECTION 7. 71.28 (5i) of the statutes is created to read:
 20 (6n) 71.28 (5i) GREEN DATA CENTER CREDIT. (a) *Definitions.* In this subsection:

- 21 1. "Claimant" means a person who files a claim under this subsection.
- 22 2. "Green data center" means a repository for the storage, management, and
 23 dissemination of data, if the mechanical, lighting, electrical, and computer systems
 24 of the real property in which the repository is located are designed for maximum
 25 energy efficiency and minimum environmental impact.

SENATE BILL 73

1 3. "Reduced amount" means an amount that is at least 25 percent less than the
2 maximum amount allowed under federal law.

3 (b) *Filing claims.* Subject to the limitations provided in this subsection and
4 Wisconsin Act (this act), section 14, for taxable years beginning after June
5 30, 2007, and before July 1, 2009, a claimant may claim as a credit against the taxes
6 imposed under s. 71.23, up to the amount of the taxes, the amount that the claimant
7 paid in the taxable year for the following items that are used to construct and operate
8 a green data center:

9 1. At least 2 of the following:

10 a. Low-emission building materials, including carpets and paints.

11 b. Sustainable landscaping.

12 c. An electronic waste recycling program, as defined by the department.

13 2. At least 2 of the following:

14 a. Catalytic converters on back-up generators.

15 b. Photovoltaics.

16 c. Heat pumps.

17 d. Evaporative cooling.

18 3. Equipment or equipment components that have a reduced amount, or none,
19 of at least 4 of the following:

20 a. Mercury.

21 b. Cadmium.

22 c. Lead.

23 d. Chromium VI.

24 e. Polybrominated biphenyls.

25 f. Polybrominated diphenyl ether.

SENATE BILL 73

1 (c) *Limitations.* 1. The maximum amount of all credits that may be claimed
 2 under this subsection and ss. 71.07 (5i) and 71.47 (5i) is \$2,000,000. No claimant may
 3 claim a credit under this subsection unless the claimant submits with the claimant's
 4 return a copy of the claimant's certification for credits under 2007 Wisconsin Act
 5 (this act), section 14. *a.r.*

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

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

16 SECTION 8. 71.30 (3) (dq) of the statutes is created to read:
 17 71.30 (3) (dq) Green data center credit under s. 71.28 (5i) and (5h) and (5i) and passed through to
 18 shareholders.

18 SECTION 9. 71.34 (1) (g) of the statutes is amended to read:
 19 71.34 (1) (g) An addition shall be made for credits computed by a tax-option
 20 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (3), (3g),
 21 (3n), (3t), (3w), (5b), (5e), (5f), (5g), and (5h), and (5i) and passed through to
 22 shareholders.
 23 SECTION 10. 71.45 (2) (a) 10. of the statutes is amended to read:
 24 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
 25 computed under s. 71.47 (1dd) to (1dx), (3n), (3w), (5b), (5e), (5f), (5g), and (5h), and

SENATE BILL 73

INSERT
8-4

(5i) and not passed through by a partnership, limited liability company, or tax-option corporation that has added that amount to the partnership's, limited liability company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g) and the amount of credit computed under s. 71.47 (1), (3), (3t), (4), and (5).

5 SECTION 11. 71.47 (5i) of the statutes is created to read:

6 (6n) 71.47 (5i) GREEN DATA CENTER CREDIT. (a) Definitions. In this subsection:

- 7 1. "Claimant" means a person who files a claim under this subsection.
- 8 2. "Green data center" means a repository for the storage, management, and
- 9 dissemination of data, if the mechanical, lighting, electrical, and computer systems
- 10 of the real property in which the repository is located are designed for maximum
- 11 energy efficiency and minimum environmental impact.
- 12 3. "Reduced amount" means an amount that is at least 25 percent less than the
- 13 maximum amount allowed under federal law.

14 (b) Filing claims. Subject to the limitations provided in this subsection and
15 2011 2007 Wisconsin Act (this act), section 14, for taxable years beginning after June
16 30, 2007, and before July 1, 2009, a claimant may claim as a credit against the taxes
17 imposed under s. 71.43, up to the amount of the taxes, the amount that the claimant
18 paid in the taxable year for the following items that are used to construct and operate
19 a green data center:

- 20 1. At least 2 of the following:
 - 21 a. Low-emission building materials, including carpets and paints.
 - 22 b. Sustainable landscaping.
 - 23 c. An electronic waste recycling program, as defined by the department.
- 24 2. At least 2 of the following:
 - 25 a. Catalytic converters on back-up generators.

SENATE BILL 73

1 b. Photovoltaics.

2 c. Heat pumps.

3 d. Evaporative cooling.

4 3. Equipment or equipment components that have a reduced amount, or none,
5 of at least 4 of the following:

6 a. Mercury.

7 b. Cadmium.

8 c. Lead.

9 d. Chromium VI.

10 e. Polybrominated biphenyls.

11 f. Polybrominated diphenyl ether.

12 (c) *Limitations.* 1. The maximum amount of all credits that may be claimed
13 under this subsection and ss. 71.07⁽⁵¹⁾ and 71.28⁽⁵¹⁾ is \$2,000,000. No claimant may
14 claim a credit under this subsection unless the claimant submits with the claimant's
15 return a copy of the claimant's certification for credits under 2007 Wisconsin Act
16 (this act), section 14. *a.r.* *2011*

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

SENATE BILL 73

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

3 SECTION 12. 71.49 (1) of the statutes is created to read:

4 71.49 (1) Green data center credit under s. 71.47 (5i)

5 SECTION 13. 77.92 (4) of the statutes is amended to read:

6 77.92 (4) "Net business income," with respect to a partnership, means taxable
7 income as calculated under section 703 of the Internal Revenue Code; plus the items
8 of income and gain under section 702 of the Internal Revenue Code, including taxable
9 state and municipal bond interest and excluding nontaxable interest income or
10 dividend income from federal government obligations; minus the items of loss and
11 deduction under section 702 of the Internal Revenue Code, except items that are not
12 deductible under s. 71.21; plus guaranteed payments to partners under section 707
13 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),
14 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3s), (3n), (3t), (3w), (5b), (5e), (5f),
15 (5g), and (5h), and (5i); and plus or minus, as appropriate, transitional adjustments,
16 depreciation differences, and basis differences under s. 71.05 (13), (15), (16), (17), and
17 (19); but excluding income, gain, loss, and deductions from farming. "Net business
18 income," with respect to a natural person, estate, or trust, means profit from a trade
19 or business for federal income tax purposes - and includes net income derived as an
20 employee as defined in section 3121 (d) (3) of the Internal Revenue Code.

21 SECTION 14. Nonstatutory provisions.

22 (1) GREEN DATA CENTER CREDIT PROGRAM.

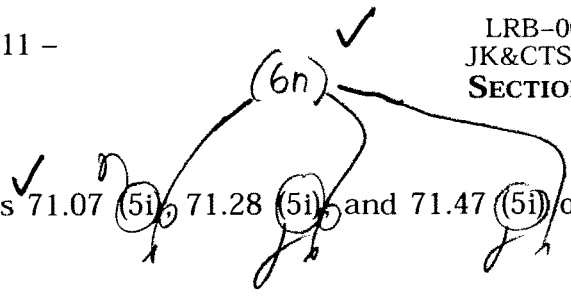
23 (a) Not later than 30 days after the effective date of this subsection, the
24 department of commerce shall implement a program for certifying businesses as

INSERT
10-20

SENATE BILL 73

1

eligible for tax credits under sections 71.07 (5i), 71.28 (5i) and 71.47 (5i) of the statutes.



2

3

(b) If the department of commerce certifies a business as eligible under

4

paragraph (a), the department shall determine the maximum amount of tax credits

5

the business may claim. The total amount of tax credits allocated to all eligible

6

businesses may not exceed \$2,000,000.

7

(c) Notwithstanding section 227.24 of the statutes, the department of

8

commerce may promulgate emergency rules necessary to administer this subsection.

9

Notwithstanding section 227.24 (1) (c) and (2) of the statutes, emergency rules

10

promulgated under this subsection remain in effect until the effective date of

11

permanent rules promulgated under this subsection, or the first day of the 13th

12

month after the effective date of this subsection, whichever is sooner.

13

Notwithstanding section 227.24 (1) (a) and (3) of the statutes, the department of

14

commerce is not required to provide evidence that promulgating a rule under this

15

subsection as an emergency rule is necessary for the preservation of the public peace,

16

health, safety, or welfare and is not required to provide a finding of emergency for a

17

rule promulgated under this subsection.

18

(d) This subsection does not apply after June 30, 2008.

19

(END)

2011-2012 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0932/?ins
JK:.....

Insert 2 - 6

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

NOTE: NOTE: Sub. 15. is shown as affected by 4 acts of the 2009 Wisconsin Legislature and as merged by the legislative reference bureau under s. 13.92 (2) (f). The cross-reference to s. 71.07 (3rn) was changed from s. 71.07 (3rm) by the legislative reference bureau under s. 13.92 (1) (bm) 2. to reflect the renumbering of s. 71.07 (3rn) as created by 2009 Wis. Act 295, under s. 13.92 (1) (bm) 2. NOTE:

History: 1987 a. 312; 1987 a. 411 ss. 42, 43, 45, 47 to 49, 51 to 53; 1989 a. 31, 46; 1991 a. 2, 37, 39, 269; 1993 a. 16, 112, 204, 263, 437; 1995 a. 27, 56, 209, 227, 261, 371, 403, 453; 1997 a. 27, 35, 39, 237; 1999 a. 9, 32, 44, 54, 65, 167; 2001 a. 16, 104, 105, 109; 2003 a. 85, 99, 119, 135, 183, 255, 289, 321, 326; 2005 a. 22, 25, 216, 254, 335, 361, 479, 483; 2007 a. 20, 96, 226; 2009 a. 2, 28, 205, 265, 269, 276, 295, 332, 344; s. 13.92 (1) (bm) 2., (2) (i).

Insert 5 - 18

8 **SECTION 2.** 71.21 (4) of the statutes is amended to read:
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), (3rm), (3rn), (3s),
11 (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n) and (8r) and passed
12 through to partners shall be added to the partnership's income.

NOTE: NOTE: Sub. (4) is shown as affected by 4 acts of the 2009 Wisconsin Legislature and as merged by the legislative reference bureau under s. 13.92 (2) (f). The cross-reference to s. 71.07 (3rn) was changed from s. 71.07 (3rm) by the legislative reference bureau under s. 13.92 (1) (bm) 2. to reflect the renumbering of s. 71.07 (3rn) as created by 2009 Wis. Act 295, under s. 13.92 (1) (bm) 2. NOTE:

History: 1987 a. 312, 411; 1989 a. 31; 1993 a. 112; 1995 a. 27, 400; 1997 a. 27; 2001 a. 16; 2003 a. 99, 135, 255, 326; 2005 a. 74, 361, 479, 483; 2007 a. 20, 96; 2009 a. 2, 28, 265, 269, 295, 332; s. 13.92 (1) (bm) 2., (2) (i).

13 **SECTION 3.** 71.26 (2) (a) 4. of the statutes is amended to read:
14 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dd),
15 (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r),
16 (3rm), (3rn), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n) and (8r)
17 and not passed through by a partnership, limited liability company, or tax-option
18 corporation that has added that amount to the partnership's, limited liability
19 company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g).



1 NOTE: NOTE: NOTE: Subd. 4. is shown as affected by 4 acts of the 2009 Wisconsin Legislature and as merged by the legislative reference bureau under s. 13.92
2 (2) (i). The cross-reference to s. 71.28 (3rm) was changed from s. 71.28 (3rm) by the legislative reference bureau under s. 13.92 (1) (bm) 2. to reflect the renumbering
3 of s. 71.28 (3rm), as created by 2009 Wis. Act 296, under s. 13.92 (1) (bm) 2. NOTE:

History: 1987 a. 312; 1987 a. 411 ss. 22, 124 to 129; 1989 a. 31, 336; 1991 a. 37, 39, 221, 269; 1993 a. 16, 112, 246, 263, 399, 437, 491; 1995 a. 27, 56, 351, 371, 380, 428;
1997 a. 27, 37, 184, 237; 1999 a. 9, 65; 1999 a. 150 s. 672; 1999 a. 167, 194; 2001 a. 16, 38, 106, 109; 2003 a. 33, 85, 99, 135, 255, 326; 2005 a. 25, 74, 335, 361, 362, 479,
483; 2007 a. 20, 96, 97, 151, 226; 2009 a. 2, 28, 161, 165, 180, 183, 205, 265, 269, 295, 332, 344; s. 13.92 (1) (bm) 2., (2) (i).

Insert 8 - 4

4 SECTION 4. ^x 71.34 (1k) (g) of the statutes is amended to read:

5 71.34 (1k) (g) An addition shall be made for credits computed by a tax-option
6 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy),
7 (3), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j),
8 (5k), (5r), (5rm), (6n) [✓] and (8r) and passed through to shareholders.

NOTE: NOTE: Par. (g) is shown as affected by 4 acts of the 2009 Wisconsin Legislature and as merged by the legislative reference bureau under s. 13.92 (2) (i). The
cross-reference to s. 71.28 (3rm) was changed from s. 71.28 (3rm) by the legislative reference bureau under s. 13.92 (1) (bm) 2. to reflect the renumbering of s. 71.28
(3rm), as created by 2009 Wis. Act 295, under s. 13.92 (1) (bm) 2. NOTE:

History: 1987 a. 312; 1987 a. 411 ss. 18, 23, 146; 1989 a. 31, 336; 1991 a. 39, 269; 1993 a. 16, 437; 1995 a. 27, 380, 428; 1997 a. 27, 37, 237; 1999 a. 9, 194; 2001 a. 16,
109; 2003 a. 33, 99, 135, 255, 326; 2005 a. 25, 49, 74, 367, 479, 483; 2007 a. 20, 96, 226; 2009 a. 2, 28, 161, 183, 265, 269, 295, 332; s. 13.92 (1) (bm) 2., (2) (i).

9 SECTION 5. 71.45 (2) (a) 10. of the statutes is amended to read:

10 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
11 computed under s. 71.47 (1dd) to (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn),
12 (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n) [✓] and (8r) and not passed
13 through by a partnership, limited liability company, or tax-option corporation that
14 has added that amount to the partnership's, limited liability company's, or
15 tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g) and the amount
16 of credit computed under s. 71.47 (1), (3), (3t), (4), (4m), and (5).

NOTE: NOTE: Subd. 10. is shown as affected by 4 acts of the 2009 Wisconsin Legislature and as merged by the legislative reference bureau under s. 13.92 (2) (i).
The cross-reference to s. 71.47 (3rm) was changed from s. 71.47 (3rm) by the legislative reference bureau under s. 13.92 (1) (bm) 2. to reflect the renumbering of s. 71.47
(3rm), as created by 2009 Wis. Act 295, under s. 13.92 (1) (bm) 2. NOTE:

History: 1987 a. 312; 1989 a. 31, 336, 359; 1991 a. 37, 39, 269; 1993 a. 16, 112, 263, 437; 1995 a. 27, 56, 371, 380; 1997 a. 27, 37, 237; 1999 a. 9, 65; 1999 a. 150 s. 672;
1999 a. 167, 194; 2001 a. 16, 38, 109; 2003 a. 37, 85, 99, 135, 255, 326; 2005 a. 74, 297, 335, 361, 479, 483; 2007 a. 20, 96, 226; 2009 a. 2, 28, 165, 205, 265, 269, 295, 332,
344; s. 13.92 (1) (bm) 2., (2) (i).

Insert 10 - 20

17 SECTION 6. 77.92 (4) ^x of the statutes is amended to read:

18 77.92 (4) "Net business income," with respect to a partnership, means taxable
19 income as calculated under section 703 of the Internal Revenue Code; plus the items
20 of income and gain under section 702 of the Internal Revenue Code, including taxable



1 state and municipal bond interest and excluding nontaxable interest income or
 2 dividend income from federal government obligations; minus the items of loss and
 3 deduction under section 702 of the Internal Revenue Code, except items that are not
 4 deductible under s. 71.21; plus guaranteed payments to partners under section 707
 5 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),
 6 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r),
 7 (3rm), (3rn), (3s), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n)✓, and
 8 (8r); and plus or minus, as appropriate, transitional adjustments, depreciation
 9 differences, and basis differences under s. 71.05 (13), (15), (16), (17), and (19); but
 10 excluding income, gain, loss, and deductions from farming. "Net business income,"
 11 with respect to a natural person, estate, or trust, means profit from a trade or
 12 business for federal income tax purposes and includes net income derived as an
 13 employee as defined in section 3121 (d) (3) of the Internal Revenue Code.

NOTE: NOTE: Sub. (4) is shown as affected by 4 acts of the 2009 Wisconsin Legislature and as merged by the legislative reference bureau under s. 13.92 (2)(i). The cross-reference to s. 71.07 (3rn) was changed from s. 71.07 (3rm) by the legislative reference bureau under s. 13.92 (1)(bm) 2. to reflect the renumbering of s. 71.07 (3rm), as created by 2009 Wis. Act 295, under s. 13.92 (1)(bm) 2. NOTE:

History: 1980 a. 335; 1991 a. 39, 369; 1993 a. 16, 112, 490; 1995 a. 27, 209; 1997 a. 27; 1999 a. 9; 2001 a. 16; 2003 a. 99, 135, 255, 326; 2005 a. 74, 361, 479, 483; 2007 a. 20, 96; 2009 a. 2, 28, 265, 269, 295, 332; s. 13.92 (1)(bm) 2., (2)(i).

(end ins)

Kreye, Joseph

From: Romportl, Daniel
Sent: Tuesday, January 11, 2011 2:58 PM
To: Kreye, Joseph
Cc: Emerson, James
Subject: Please reassign LRB 0932/1 to Sen. Darling's office

Thank you,

Dan Romportl

*Policy Director
Office of Senator Scott Fitzgerald
Senate Majority Leader*

*Phone: 608-266-5660
daniel.romportl@legis.wisconsin.gov*

*changed 1-11
Kreye*

Basford, Sarah

From: Emerson, James
Sent: Monday, March 07, 2011 11:52 AM
To: Basford, Sarah
Subject: RE: LRB -0932/1 (attached)

Please jacket this proposal for the Senate.

Thank you,
Jim Emerson
Senator Darling's Office

From: Basford, Sarah
Sent: Monday, March 07, 2011 11:02 AM
To: Emerson, James
Subject: LRB -0932/1 (attached)

Sarah Basford
Senior Program Assistant
Legislative Reference Bureau
1 East Main St., Suite 200
Madison, WI 53703
(608) 266-3561
<< File: 11-0932/1 >>