2011 DRAFTING REQUEST

Receive	ed: 08/25/2011				Received By: jk	reye		
Wanted:	: As time perm	As time permits Companion to LRB:						
For: Fre	For: Fred Risser (608) 266-1627 May Contact: Drafter: jkreye			: dianne				
•					Drafter: jkreye			
Subject:	: Iax, Bu	siness - crp in	c, iran		Addl. Drafters:			
					Extra Copies:			
Submit	via email: YES							
Request	er's email:	Sen.Risser	@legis.wisco	onsin.gov				
Carbon	copy (CC:) to:	joseph.kre	ye@legis.wis	sconsin.gov				
Pre Top	pic:							
No spec	cific pre topic gi	ven						
Topic:								
Limit th	ne corporate inco	ome tax deducti	ion for comp	ensation paid	d to an employee			
Instruc	etions:							
See atta	ched							
Draftin	g History:				·			
Vers.	Drafted	Reviewed	<u>Typed</u>	Proofed	Submitted	Jacketed	Required	
/?	jkreye 08/25/2011	wjackson 08/26/2011					State	
/1			phenry 08/29/201	1	sbasford 08/29/2011	lparisi 08/30/2011		
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2011 DRAFTING REQUEST

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For: Fre	ed Risser (608)	266-1627			By/Representing: dianne				
May Co		. j	٥		Drafter: jkreye Addl. Drafters:				
Subject:	Tax, Bu	siness - crp inc	c, fran						
					Extra Copies:				
Submit	via email: YES								
Request	er's email:	Sen.Risser	@legis.wisc	consin.gov					
Carbon	copy (CC:) to:	joseph.kre	ye@legis.wi	isconsin.gov					
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Topic:			***************************************						
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Instruc	tions:								
See atta	ched								
Draftin	g History:								
Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	Jacketed	Required		
/?	jkreye 08/25/2011	wjackson 08/26/2011					State		
/1		-	phenry 08/29/20	11	sbasford 08/29/2011				
FE Sent	For:			<end></end>					

2011 DRAFTING REQUEST

Addl. Drafters:

Bill

Received: 08/25/2011	Received By: jkrey

Wanted: As time permits Companion to LRB:

For: Fred Risser (608) 266-1627 By/Representing: dianne

May Contact: Drafter: jkreye

Subject: Tax, Business - crp inc, fran

Extra Copies:

Submit via email: YES

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

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

Pre Topic:

No specific pre topic given

Topic:

Limit the corporate income tax deduction for compensation paid to an employee

Instructions:

See attached

Drafting History:

Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

/? jkreye /1 Wij 8/26 8 -X

<END>

FE Sent For:

Kreye, Joseph

From: Cieslewicz, Dianne

Sent: Thursday, August 25, 2011 11:20 AM

To: Kreye, Joseph

Pocan LRB-2398/1 - relating to: limiting the corporate income tax deduction for Subject:

compensation paid to an employee

Hi Joe,

Please prepare a companion bill to Rep. Pocan's LRB 2398/1 for Senator Risser. I believe that Glenn in Rep. Pocan's office has already given the okay.

Thank you. Please call if you have any questions.

Dianne Cieslewicz Office of Senator Fred Risser 266-1627

Kreye, Joseph

From: Wavrunek, Glenn

Sent: Thursday, August 25, 2011 10:41 AM

To: Kreye, Joseph Cc: Cieslewicz, Dianne

Subject: Pocan LRB-2398/1 -- relating to: limiting the corporate income tax deduction for

compensation paid to an employee

Joe -

Sen. Risser's office would like a companion to LRB-2398/1 please let me know if you have any questions. Thanks!

Glenn Wavrunek Office of Rep. Mark Pocan



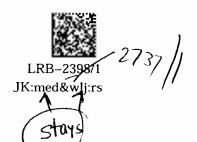
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State of Misconsin 2011 - 2012 LEGISLATURE



2011 BILL

in 8-25-11 (500N)

AN ACT to amend 71.26 (3) (e) 1. of the statutes; relating to: limiting the

corporate income tax deduction for compensation paid to an employee.

Analysis by the Legislative Reference Bureau

Under current law, a corporation may deduct from its income tax the compensation paid to its officers and employees. The corporate income tax deduction for compensation paid to executive officers cannot exceed \$1,000,000, unless the compensation is performance—based.

This bill further limits any single corporate income tax deduction for compensation paid to an employee or officer to an amount not to exceed the compensation paid to a corporation's lowest–paid full–time employee multiplied by 25.

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:

- **Section 1.** 71.26 (3) (e) 1. of the statutes is amended to read:
- 4 71.26 **(3)** (e) 1. So that payments for wages, salaries, commissions, and bonuses
 - of employees and officers may be deducted only if the name, address and amount paid

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to each resident of this state to whom compensation of \$600 or more has been paid
during the taxable year is reported or if the department of revenue is satisfied that
failure to report has resulted in no revenue loss to this state. <u>A deduction for wages.</u>
salaries, commissions, and bonuses paid to an employee or officer shall not exceed
an amount equal to the sum of the wages, salaries, commissions, and bonuses paid
to the corporation's lowest-paid full-time employee, multiplied by 25.

SECTION 2. Initial applicability.

(1) This act first applies to taxable years beginning on January 1, 2011.

(END)

Barman, Mike

From:

Sent:

Briganti, Sarah Monday, August 29, 2011 10:30 AM LRB.Legal

To:

Subject:

Draft Review: LRB 11-2737/1 Topic: Limit the corporate income tax deduction for compensation paid to an employee

Please Jacket LRB 11-2737/1 for the SENATE.