

**2011 DRAFTING REQUEST**

**Bill**

Received: **08/25/2011**

Received By: **jkreye**

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**

Addl. Drafters:

Extra Copies:

Submit via email: **YES**

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

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

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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 08/25/2011	wjackson 08/26/2011		_____			State
/1			phenry 08/29/2011	_____	sbasford 08/29/2011	lparisi 08/30/2011	

FE Sent For:

<END>

↳ At Intro.

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/?	jkreye	1 Wlj 8/26	J25 ph	<del>X</del>			
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FE Sent For:

<END>

**Kreye, Joseph**

**From:** Cieslewicz, Dianne

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

**To:** Kreye, Joseph

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



State of Wisconsin  
2011 - 2012 LEGISLATURE



LRB-2398/1  
JK:med&wlj:rs

2737 //

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↑  
stays

2011 BILL

in 8-25-11

SOON

Regen

1 AN ACT ~~to amend~~ 71.26 (3) (e) 1. of the statutes; **relating to:** limiting the  
2 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:***

3 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  
5 of employees and officers may be deducted only if the name, address and amount paid

**BILL****SECTION 1**

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

**SECTION 2. Initial applicability.**

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

9 (END)

**Barman, Mike**

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**From:** Briganti, Sarah  
**Sent:** Monday, August 29, 2011 10:30 AM  
**To:** LRB.Legal  
**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.