



State of Wisconsin  
2011 - 2012 LEGISLATURE



LRB-2858(1) 12  
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2011 BILL

in June 10-13

due Wed 10-19

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1 AN ACT *to repeal* 238.399 (5) (c) 1. b. and 238.399 (5) (c) 2. a. and c.; *to renumber*  
 2 *and amend* 238.16 (1) (c); *to consolidate, renumber and amend* 238.399 (5)  
 3 (c) 1. (intro.) and a. and 238.399 (5) (c) 2. (intro.) and b.; *to amend* 71.07 (2dx)  
 4 (a) 4., 71.28 (1dx) (a) 4., 71.47 (1dx) (a) 4., 76.636 (1) (d), 238.16 (3) (intro.),  
 5 238.16 (3) (am), 238.16 (4) (b) 1. (intro.), 238.30 (intro.), 238.30 (2m) (b), 238.399  
 6 (1) (am) 2., 238.399 (5) (b) and 238.399 (5) (d) 1.; and *to create* 238.16 (1) (c) 2.  
 7 and 238.302 (1m) of the statutes; **relating to:** tax credit programs  
 8 administered by the Wisconsin Economic Development Corporation

INSERT 1-8

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

Under current law, the Wisconsin Economic Development Corporation (WEDC) administers the jobs tax credit, the economic development tax credit, the development opportunity zone tax credit, and the enterprise zone tax credit (tax credit programs). This bill makes various changes to these tax credit programs.

***Definition of "full-time job"***

Under current law, each of the tax credit programs defines a "full-time job" as a job in which an individual must work 2,080 hours per year as a condition of his or her employment. However, for purposes of the enterprise zone tax credit program and the economic development tax credit program, WEDC is currently authorized to

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make an exception to the 2,080 hour requirement for individuals who work at a job not less than 37.5 hours per week. Under this bill, the definition of "full-time job" in each of the tax credit programs provides that WEDC may make an exception to the 2,080 hours per year requirement as long as the employed individual receives benefits that are acceptable to the corporation.

**Jobs Tax Credit**

Under current law, WEDC may certify a person to claim the jobs tax credit if the person operates or intends to operate a business in Wisconsin, will increase its net employment in Wisconsin, and will pay annual wages to a full-time employee for whom the person claims tax benefits of at least \$20,000 in Tier I counties or municipalities and at least \$30,000 in Tier II counties or municipalities. A person certified under the program may receive per-employee tax benefits in the amount of 10 percent of the wages paid to a full-time employee who meets the wage requirement for the county or municipality. A person certified under the program may also receive tax benefits for providing job training to its employees.

Under this bill, a person certified for the jobs tax credit program may receive per-employee tax benefits up to 10 percent of the wages paid to a full-time employee who meets the wage requirements for the county or municipality. This bill also authorizes WEDC to certify a person to claim the jobs tax credit if the person maintains increased net employment in the person's business.

**Economic Development Tax Credit**

Under current law, in order for WEDC to certify a person to claim the economic development tax credit, the person must enter into a contract with WEDC to undertake one of the following eligible activities in the state:

1. A job creation project that results in the creation and maintenance of full-time jobs.
2. A project that involves a significant investment of capital, as defined by WEDC, by the person in new equipment, machinery, real property, or depreciable personal property.
3. A project that involves significant investments in the training or reeducation of employees, as defined by WEDC, for the purpose of improving the productivity or competitiveness of the business of the person.
4. A project that will result in the location or retention of a person's corporate headquarters in Wisconsin or that will result in the retention of full-time employees if the person's corporate headquarters are located in Wisconsin.

Under this bill, in addition to the existing eligible activities, WEDC may certify a person who enters into a contract with WEDC to undertake a project that maintains a specific number of existing full-time jobs.

**Enterprise Zone Tax Credit.**

Under current law, WEDC is authorized to designate up to 20 areas in the state as enterprise zones. Currently, WEDC may certify any of the following businesses to claim the enterprise zone tax credit:

1. A business that relocates to an enterprise zone from outside the state, if the business offers compensation and benefits to its employees working in the zone for

Insert A

or that involves significant environmental remediation

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the same type of work that are at least as favorable as those offered to its employees working outside the zone.

2. A business that expands its operations in an enterprise zone, increases its personnel by at least 10 percent, and enters into an agreement with WEDC to claim tax benefits only for years during which the business maintains the increased level of personnel. The business must offer compensation and benefits for the same type of work to its employees working in the enterprise zone that are at least as favorable as those offered to its employees working in Wisconsin but outside the zone.

3. A business that expands its operations in an enterprise zone and that makes a capital investment in property located in the enterprise zone if: (a) the value of the capital investment is equal to at least 10 percent of the business's gross revenues from business in the state in the preceding tax year; (b) the business enters into an agreement with WEDC to claim tax benefits only for years during which the business maintains the capital investment; and (c) the business offers compensation and benefits for the same type of work to its employees working in the zone that are at least as favorable as those offered to its employees working in Wisconsin, but outside the zone.

4. A business that retains jobs in an enterprise zone, but only if the business makes a significant capital investment in property located in the zone, and either (a) the business is an original equipment manufacturer with a significant supply chain in Wisconsin or (b) more than 500 full-time employees are employed by the business in the enterprise zone.

This bill makes the following changes to the requirements for certification to claim the enterprise zone tax credit:

1. For a business that relocates to this state, this bill removes the requirement that the business offer compensation and benefits to its employees working in the enterprise zone for the same type of work that are at least as favorable as those offered to its employees working outside the zone.

2. For a business that expands its operations in an enterprise zone, this bill removes the requirement that the business offer compensation and benefits for the same type of work to its employees working in the enterprise zone that are at least as favorable as those offered to its employees working in Wisconsin but outside the zone. Additionally, this bill eliminates the requirement that the value of a qualifying capital investment in an enterprise zone must be at least 10 percent of the business's gross revenues. Under this bill, a business that expands operations in an enterprise zone may qualify for the enterprise zone tax credit by making a significant capital investment, as determined by WEDC.

3. For a business that retains jobs in the enterprise zone, the bill eliminates the requirement that the business must be an original equipment manufacturer with a significant supply chain in Wisconsin and allows certification for a business that is any type of manufacturer with a significant supply chain in Wisconsin.

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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:*

Amend 4-1

1 SECTION 1. 71.07 (2dx) (a) 4. of the statutes is amended to read:

2 71.07 (2dx) (a) 4. "Full-time job" means a regular, nonseasonal full-time  
3 position in which an individual, as a condition of employment, is required to work at  
4 least 2,080 hours per year, including paid leave and holidays, and for which the  
5 individual receives pay that is equal to at least 150% of the federal minimum wage  
6 and receives benefits that are not required by federal or state law. "Full-time job"  
7 does not include initial training before an employment position begins has the <sup><use 2x></sup>  
8 meaning given in s. 238.16 (1) (c).

Amend 4-8

238.30 (2m)

9 SECTION 2. 71.28 (1dx) (a) 4. of the statutes is amended to read:

10 71.28 (1dx) (a) 4. "Full-time job" means a regular, nonseasonal full-time  
11 position in which an individual, as a condition of employment, is required to work at  
12 least 2,080 hours per year, including paid leave and holidays, and for which the  
13 individual receives pay that is equal to at least 150% of the federal minimum wage  
14 and receives benefits that are not required by federal or state law. "Full-time job"  
15 does not include initial training before an employment position begins has the  
16 meaning given in s. 238.16 (1) (c).

Amend 4-16

17 SECTION 3. 71.47 (1dx) (a) 4. of the statutes is amended to read:

18 71.47 (1dx) (a) 4. "Full-time job" means a regular, nonseasonal full-time  
19 position in which an individual, as a condition of employment, is required to work at  
20 least 2,080 hours per year, including paid leave and holidays, and for which the  
21 individual receives pay that is equal to at least 150% of the federal minimum wage

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1 and receives benefits that are not required by federal or state law. "Full-time job"  
2 does not include initial training before an employment position begins has the  
3 meaning given in s. 238.16 (1) (c).

Amend  
5-3

4 **SECTION 4.** 76.636 (1) (d) of the statutes is amended to read:

5 76.636 (1) (d) "Full-time job" means a regular, nonseasonal, full-time position  
6 in which an individual, as a condition of employment, is required to work at least  
7 2,080 hours per year, including paid leave and holidays, and for which the individual  
8 receives pay that is equal to at least 150 percent of the federal minimum wage and  
9 receives benefits that are not required by federal or state law. "Full-time job" does  
10 not include initial training before an employment position begins has the meaning  
11 given in s. 238.16 (1) (c).

Amend  
5-11

238.30 (2m)

<use 2x>

12 **SECTION 5.** 238.16 (1) (c) of the statutes, as affected by 2011 Wisconsin Act 32,  
13 is renumbered 238.16 (1) (c) 1. and amended to read:

14 238.16 (1) (c) 1. ~~Full-time~~ Except as provided in subd. 2., "full-time job" means  
15 a regular, nonseasonal full-time position in which an individual, as a condition of  
16 employment, is required to work at least 2,080 hours per year, including paid leave  
17 and holidays, and for which the individual ~~receives pay that is equal to at least 150~~  
18 ~~percent of the federal minimum wage~~ and earns at least \$20,000 in wages and benefits that are not required by federal  
19 or state law. "Full-time job" does not include ~~initial training~~ initial training before an employment  
20 position begins.

21 **SECTION 6.** 238.16 (1) (c) 2. of the statutes is created to read:

22 238.16 (1) (c) 2. The corporation may specify circumstances under which the  
23 corporation may grant exceptions to the requirement under subd. 1. that a full-time  
24 job means a position in which an individual, as a condition of employment, is  
25 required to work at least 2,080 hours per year, but under no circumstances may a

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1 full-time job mean a position in which a individual does not receive benefits  
2 acceptable to the corporation.

3 **SECTION 7.** 238.16 (3) (intro.) of the statutes, as affected by 2011 Wisconsin Act  
4 32, is amended to read:

5 238.16 (3) ELIGIBILITY FOR TAX BENEFITS. (intro.) A person certified under sub.  
6 (2) may receive tax benefits under this section if, in each year for which the person  
7 claims tax benefits under this section, the person increases net employment or  
8 maintains increased net employment in the person's business, and one of the  
9 following applies:

10 **SECTION 8.** 238.16 (3) (am) of the statutes, as created by 2011 Wisconsin Act 32,  
11 is amended to read:

12 238.16 (3) (am) The person increases net employment or maintains increased  
13 net employment in the person's business.

14 **SECTION 9.** 238.16 (4) (b) 1. (intro.) of the statutes, as affected by 2011 Wisconsin  
15 Act 32, is amended to read:

16 238.16 (4) (b) 1. (intro.) The corporation may award to a person certified under  
17 sub. (2) tax benefits for each eligible employee in an amount equal to that does not  
18 exceed 10 percent of the wages paid by the person to that employee or \$10,000,  
19 whichever is less, if that employee earned wages in the year for which the tax benefit  
20 is claimed equal to one of the following:

21 **SECTION 10.** 238.30 (intro.) of the statutes, as affected by 2011 Wisconsin Act  
22 32, is amended to read:

23 **238.30 Definitions.** (intro.) In this section and ss. ~~238.31~~ 238.301 to 238.395:

24 **SECTION 11.** 238.30 (2m) (b) of the statutes, as affected by 2011 Wisconsin Act  
25 32, is amended to read:

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1           238.30 (2m) (b) The corporation may ~~adopt a rule specifying~~ specify  
 2           circumstances under which the corporation may grant exceptions to the requirement  
 3           under par. (a) that a full-time job means a job in which an individual, as a condition  
 4           of employment, is required to work at least 2,080 hours per year, but under no  
 5           circumstances may a full-time job mean a job in which an individual, ~~as a condition~~  
 6           of employment, ~~is required to work less than 37.5 hours per week~~ does not receive  
 7           benefits acceptable to the corporation.

8           **SECTION 12.** 238.302 (1m) of the statutes is created to read:

9           238.302 (1m) JOBS RETENTION PROJECT. A project that maintains, for a period  
 10          of time established by the corporation, a specific number, as determined by the  
 11          person, of existing full-time jobs provided by the person.

12          **SECTION 13.** 238.399 (1) (am) 2. of the statutes, as affected by 2011 Wisconsin  
 13          Act 32, is amended to read:

14          238.399 (1) (am) 2. The corporation may ~~by rule~~ specify circumstances under  
 15          which the corporation may grant exceptions to the requirement under subd. 1. that  
 16          a full-time employee means an individual who, as a condition of employment, is  
 17          required to work at least 2,080 hours per year, but under no circumstances may a  
 18          full-time employee mean an individual who, ~~as a condition of employment,~~  
 19          ~~is required to work less than 37.5 hours per week~~ does not receive benefits acceptable  
 20          to the corporation.

21          **SECTION 14.** 238.399 (5) (b) of the statutes, as affected by 2011 Wisconsin Act  
 22          32, is amended to read:

23          238.399 (5) (b) A business that relocates to an enterprise zone from outside this  
 24          state, ~~if the business offers compensation and benefits to its employees working in~~

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7-11

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1 ~~the zone for the same type of work that are at least as favorable as those offered to~~  
2 ~~its employees working outside the zone, as determined by the corporation.~~

3 **SECTION 15.** 238.399 (5) (c) 1. (intro.) and a. of the statutes, as affected by 2011  
4 Wisconsin Act 32, are consolidated, renumbered 238.399 (5) (c) 1. and amended to  
5 read:

6 238.399 (5) (c) 1. The business will increase its personnel by at least 10 percent  
7 and ~~all of the following apply: a. The~~ the business enters into an agreement with the  
8 corporation to claim tax benefits only for years during which the business maintains  
9 the increased level of personnel.

10 **SECTION 16.** 238.399 (5) (c) 1. b. of the statutes, as affected by 2011 Wisconsin  
11 Act 32, is repealed.

12 **SECTION 17.** 238.399 (5) (c) 2. (intro.) and b. of the statutes, as affected by 2011  
13 Wisconsin Act 32, are consolidated, renumbered 238.399 (5) (c) 2. and amended to  
14 read:

15 238.399 (5) (c) 2. The business makes a significant capital investment, as  
16 determined by the corporation, in property located in the enterprise zone and ~~all of~~  
17 ~~the following apply: b. The~~ the business enters into an agreement with the  
18 corporation to claim tax benefits only for years during which the business maintains  
19 the capital investment.

20 **SECTION 18.** 238.399 (5) (c) 2. a. and c. of the statutes, as affected by 2011  
21 Wisconsin Act 32, are repealed.

22 **SECTION 19.** 238.399 (5) (d) 1. of the statutes, as affected by 2011 Wisconsin Act  
23 32, is amended to read:

24 238.399 (5) (d) 1. The business is ~~an original equipment~~ a manufacturer with  
25 a significant supply chain in the state, as determined by the corporation ~~by rule~~.



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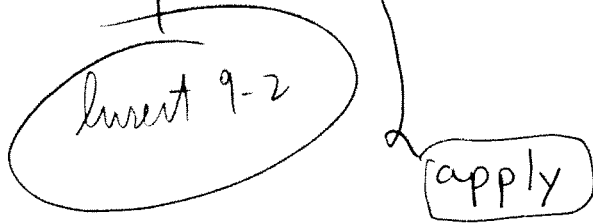
**SECTION 20. Initial applicability.**

2

(1) This act first applies to taxable years beginning on January 1, 2012.

3

(END)



Insert 1 - 8

WFF

1 , providing refunds for the economic development tax credit, and making an  
2 appropriation

Insert A

beginning on  
or after January 1,  
2013,

Under current law, if the amount of the economic development tax credit that a person may claim exceeds the person's tax liability, the person does not receive a refund, but, instead, may carry forward any unused credit amount to subsequent taxable years. Under the bill, a person may claim a refund for the amount of the economic development tax credit that exceeds the person's tax liability.

Insert 4 - 1

3 SECTION 1. 20.835 (2) (cp) of the statutes is created to read:

4 20.835 (2) (cp) *Economic development tax credits*. A sum sufficient to make the  
5 payments under ss. 71.07 (2dy) (d) 4., 71.28 (1dy) (d) 4., 71.47 (1dy) (d) 4., and 76.637  
6 (5).

Insert 4 - 8

7 SECTION 2. 71.07 (2dy) (d) 1. of the statutes is amended to read:

8 71.07 (2dy) (d) 1. Except For taxable years beginning before January 1, 2013,  
9 except as provided in subd. 2., s. 71.28 (4) (e) and (f), as it applies to the credit under  
10 s. 71.28 (4), applies to the credit under this subsection.

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135, 183, 255, 267, 326; 2005 a. 25, 49, 72, 74, 97, 177, 254, 361, 387, 479, 483, 487; 2007 a. 11, 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 15, 32; s. 13.92 (1) (bm) 2; s. 35.17 correction in (2dr) (a), (5n).

11 SECTION 3. 71.07 (2dy) (d) 1m. of the statutes is created to read:

12 71.07 (2dy) (d) 1m. For taxable years beginning after December 31, 2012,  
13 except as provided in subd. 2., s. 71.28 (4) (e), as it applies to the credit under s. 71.28  
14 (4), applies to the credit under this subsection.

15 SECTION 4. 71.07 (2dy) (d) 4. of the statutes is created to read:

1           71.07 (2dy) (d) 4. For taxable years beginning after December 31, 2012, if the  
 2 allowable amount of the claim under par. (b) exceeds the tax otherwise due under s.  
 3 71.02 or 71.08, the amount of the claim not used to offset the tax due shall be certified  
 4 by the department of revenue to the department of administration for payment by  
 5 check, share draft, or other draft drawn from the appropriation account under s.  
 6 20.835 (2) (cp).

7           **SECTION 5.** 71.10 (4) (gv) of the statutes is amended to read:

8           71.10 (4) (gv) Economic development tax credit under s. 71.07 (2dy), except as  
 9 provided under par. (i).

History: 1987 a. 312; 1987 a. 411 ss. 94, 97, 176 to 179; 1987 a. 422 s. 4; 1989 a. 31, 56, 359; 1991 a. 39; 1993 a. 16, 184; 1995 a. 27, 209, 418, 453; 1997 a. 27, 63, 237, 248; 1999 a. 9, 167; 2001 a. 16, 109; 2003 a. 33, 99, 135, 176, 255, 321; 2005 a. 25, 49, 71, 74, 177, 178, 323, 361, 460, 479, 483; 2007 a. 1, 20, 96, 97; 2009 a. 2, 28, 89, 265, 269, 295, 332; 2011 a. 32; s. 13.92 (1) (bm) 2., (2) (i).

10          **SECTION 6.** 71.10 (4) (i) of the statutes is amended to read:

11          71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland  
 12 preservation credit under ss. 71.57 to 71.61, farmland preservation credit, 2010 and  
 13 beyond under s. 71.613, homestead credit under subch. VIII, economic development  
 14 tax credit under s. 71.07 (2dy) (d) 4., farmland tax relief credit under s. 71.07 (3m),  
 15 dairy manufacturing facility investment credit under s. 71.07 (3p), jobs tax credit  
 16 under s. 71.07 (3q), meat processing facility investment credit under s. 71.07 (3r),  
 17 woody biomass harvesting and processing credit under s. 71.07 (3rm), food  
 18 processing plant and food warehouse investment credit under s. 71.07 (3rn), film  
 19 production services credit under s. 71.07 (5f), film production company investment  
 20 credit under s. 71.07 (5h), veterans and surviving spouses property tax credit under  
 21 s. 71.07 (6e), enterprise zone jobs credit under s. 71.07 (3w), beginning farmer and  
 22 farm asset owner tax credit under s. 71.07 (8r), earned income tax credit under s.  
 23 71.07 (9e), estimated tax payments under s. 71.09, and taxes withheld under subch.

24          X.

**1** NOTE: NOTE: NOTE: Par. (i) is shown as affected by 2 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. 71.07 (3rn) was changed from s. 71.07 (3rm) by the legislative reference bureau under s. 13.92 (1) (bm) 2. to reflect the renumbering under  
**3** s. 13.92 (1) (bm) 2. of s. 71.07 (3rm), as created by 2009 Wis. Act 295. NOTE:

**History:** 1987 a. 312; 1987 a. 411 ss. 94, 97, 176 to 179; 1987 a. 422 s. 4; 1989 a. 31, 56, 359; 1991 a. 39; 1993 a. 16, 184; 1995 a. 27, 209, 418, 453; 1997 a. 27, 63, 237, 248; 1999 a. 9, 167; 2001 a. 16, 109; 2003 a. 33, 99, 135, 176, 255, 321; 2005 a. 25, 49, 71, 74, 177, 178, 323, 361, 460, 479, 483; 2007 a. 1, 20, 96, 97; 2009 a. 2, 28, 89, 265, 269, 295, 332; 2011 a. 32; s. 13.92 (1) (bm) 2., (2) (i).

**Insert 4 - 16**

**4** SECTION 7. 71.28 (1dy) (d) 1. of the statutes is amended to read:  
**5** 71.28 (1dy) (d) 1. Except For taxable years beginning before January 1, 2013,  
**6** except as provided in subd. 2., sub. (4) (e) and (f), as it applies to the credit under sub.  
**7** (4), applies to the credit under this subsection.

**History:** 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326; 2005 a. 25, 74, 97, 361, 387, 452, 479, 483, 487; 2007 a. 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 3, 15, 32; s. 13.92 (1) (bm) 2; s. 35.17 correction in (1dm) (a) 1.

**8** SECTION 8. 71.28 (1dy) (d) 1m. of the statutes is created to read:  
**9** 71.28 (1dy) (d) 1m. For taxable years beginning after December 31, 2012,  
**10** except as provided in subd. 2., sub. (4) (e), as it applies to the credit under sub. (4),  
**11** applies to the credit under this subsection.

**12** SECTION 9. 71.28 (1dy) (d) 4. of the statutes is created to read:  
**13** 71.28 (1dy) (d) 4. For taxable years beginning after December 31, 2012, if the  
**14** allowable amount of the claim under par. (b) exceeds the tax otherwise due under s.  
**15** 71.23, the amount of the claim not used to offset the tax due shall be certified by the  
**16** department of revenue to the department of administration for payment by check,  
**17** share draft, or other draft drawn from the appropriation account under s. 20.835 (2) /  
**18** (cp).

**19** SECTION 10. 71.30 (3) (ema) of the statutes is amended to read:  
**20** 71.30 (3) (ema) Economic development tax credit under s. 71.28 (1dy), except  
**21** as provided under par. (f).

**History:** 1987 a. 312; 1987 a. 411 ss. 144, 145, 182 to 185; 1989 a. 31, 56; 1991 a. 39; 1995 a. 27, 209; 1997 a. 27; 1999 a. 9; 2001 a. 16; 2003 a. 33, 99, 135, 255; 2005 a. 25, 74, 361, 479, 483; 2007 a. 20, 226; 2009 a. 2, 28, 265, 269, 295, 332; 2011 a. 3, 32; s. 13.92 (1) (bm) 2., (2) (i).

**22** SECTION 11. 71.30 (3) (f) of the statutes is amended to read:

1           71.30 (3) (f) The total of farmland preservation credit under subch. IX,  
 2           economic development tax credit under s. 71.28 (1dy) (d) 4., farmland tax relief credit  
 3           under s. 71.28 (2m), dairy manufacturing facility investment credit under s. 71.28  
 4           (3p), jobs credit under s. 71.28 (3q), meat processing facility investment credit under  
 5           s. 71.28 (3r), woody biomass harvesting and processing credit under s. 71.28 (3rm),  
 6           food processing plant and food warehouse investment credit under s. 71.28 (3rn),  
 7           enterprise zone jobs credit under s. 71.28 (3w), film production services credit under  
 8           s. 71.28 (5f), film production company investment credit under s. 71.28 (5h),  
 9           beginning farmer and farm asset owner tax credit under s. 71.28 (8r), and estimated  
 10          tax payments under s. 71.29.

NOTE: NOTE: Par. (f) is shown as affected by 2 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. 71.28 (3rn) was changed from s. 71.28 (3rm) by the legislative reference bureau under s. 13.92 (1) (bm) 2. to reflect the renumbering under s. 13.92 (1) (bm) 2. of s. 71.28 (3rm), as created by 2009 Wis. Act 295. NOTE:

History: 1987 a. 312; 1987 a. 411 ss. 144, 145, 182 to 185; 1989 a. 31, 56; 1991 a. 39; 1995 a. 27, 209; 1997 a. 27; 1999 a. 9; 2001 a. 16; 2003 a. 33, 99, 135, 255; 2005 a. 25, 74, 361, 479, 483; 2007 a. 20, 226; 2009 a. 2, 28, 265, 269, 295, 332; 2011 a. 3, 32; s. 13.92 (1) (bm) 2., (2) (i).

**Insert 5 - 3**

11           **SECTION 12.** 71.47 (1dy) (d) 1. of the statutes is amended to read:

12           71.47 (1dy) (d) 1. Except For taxable years beginning before January 1, 2013,  
 13           except as provided in subd. 2., sub. (4) (e) and (f), as it applies to the credit under sub.  
 14           (4), applies to the credit under this subsection.

History: 1987 a. 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27, 209, 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 163, 255, 267, 326; 2005 a. 25, 74, 97, 361, 387, 432, 479, 483, 487; 2007 a. 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 3, 15, 32; s. 13.92 (1) (bm) 2.

15           **SECTION 13.** 71.47 (1dy) (d) 1m. of the statutes is created to read:

16           71.47 (1dy) (d) 1m. For taxable years beginning after December 31, 2012,  
 17           except as provided in subd. 2., s. 71.28 (4) (e), as it applies to the credit under s. 71.28  
 18           (4), applies to the credit under this subsection.

19           **SECTION 14.** 71.47 (1dy) (d) 4. of the statutes is created to read:

20           71.47 (1dy) (d) 4. For taxable years beginning after December 31, 2012, if the  
 21           allowable amount of the claim under par. (b) exceeds the tax otherwise due under s.

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 (cp).

5 **SECTION 15.** 71.49 (1) (ema) of the statutes is amended to read:

6 71.49 (1) (ema) Economic development tax credit under s. 71.47 (1dy), except  
7 as provided under par. (f).

History: 1987 a. 312, 411; 1989 a. 31, 56; 1991 a. 39; 1995 a. 27, 209; 1997 a. 27; 2001 a. 16; 2003 a. 99, 135, 255; 2005 a. 74, 361, 479, 483; 2007 a. 20; 2009 a. 2, 28, 265, 269, 295, 332; 2011 a. 3, 32; s. 13.92 (1) (bm) 2., (2) (i).

8 **SECTION 16.** 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 economic development tax credit under s. 71.47 (1dy) (d) 4., farmland tax relief credit  
11 under s. 71.47 (2m), dairy manufacturing facility investment credit under s. 71.47  
12 (3p), jobs credit under s. 71.47 (3q), meat processing facility investment credit under  
13 s. 71.47 (3r), woody biomass harvesting and processing credit under s. 71.47 (3rm),  
14 food processing plant and food warehouse investment credit under s. 71.47 (3rn),  
15 enterprise zone jobs credit under s. 71.47 (3w), film production services credit under  
16 s. 71.47 (5f), film production company investment credit under s. 71.47 (5h),  
17 beginning farmer and farm asset owner tax credit under s. 71.47 (8r), and estimated  
18 tax payments under s. 71.48.

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

History: 1987 a. 312, 411; 1989 a. 31, 56; 1991 a. 39; 1995 a. 27, 209; 1997 a. 27; 2001 a. 16; 2003 a. 99, 135, 255; 2005 a. 74, 361, 479, 483; 2007 a. 20; 2009 a. 2, 28, 265, 269, 295, 332; 2011 a. 3, 32; s. 13.92 (1) (bm) 2., (2) (i).

19 **SECTION 17.** 76.637 (5) of the statutes is created to read:

20 76.637 (5) REFUNDS. For taxable years beginning after December 31, 2012, if  
21 the allowable amount of the claim under sub. (2) exceeds the fees otherwise due  
22 under s. 76.60, 76.63, 76.65, 76.66, or 76.67, the amount of the claim not used to offset

Insert  
5-11

1 the fee due shall be certified by the department of revenue to the department of  
2 administration for payment by check, share draft, or other draft drawn from the  
3 appropriation account under s. 20.835 (2) (cp). *End of Insert 5-11*

**Insert 9 - 2**

*WST*

4 The repeal of section 238.399 (5) (c) 1. b. and 2. a. and c. of the statutes, the  
5 renumbering and amendment of section 238.16 (1) (c) of the statutes, the  
6 consolidation, renumbering and amendment of section 238.399 (5) (c) 1. (intro.) and  
7 a. and 2. (intro.) and b. of the statutes, the amendment of section <sup>§</sup>71.07 (2dx) (a) 4.,  
8 71.28 (1dx) (a) 4., 71.47 (1dx) (a) 4., 76.636 (1) (d), 238.16 (3) (intro.) and (am) and (4)  
9 (b) 1. (intro.), 238.30 (intro.) and (2m) (b), and 238.399 (1) (am) <sup>2.</sup> and (5) (b) and (d) 1.  
10 of the statutes, and the creation of section 238.16 (1) (c) 2. and 238.302 (1m) of the  
11 statutes

*^ 238.30 (1m) and (2j) ^*

*and (5)*

2011-2012 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB2858/2ins  
FFK:.....

INS. 6-22

^

1           **SECTION 1.** 238.30 (1m) of the statutes is created to read:  
2           238.30 (1m) "Brownfield" means an industrial or commercial facility the  
3 expansion or development of which is complicated by environmental pollution.

4           **SECTION 2.** 238.30 (2j) of the statutes is created to read:

5           238.30 (2j) "Environmental remediation" means removal or containment of  
6 environmental pollution, as defined in s. 299.01 (4), and restoration of soil or  
7 groundwater that is affected by environmental pollution, as defined in s. 299.01 (4),  
8 in a brownfield.

END INS. 6-22

INS. 7-11

^

X

9           **SECTION 3.** 238.302 (5) of the statutes is created to read:  
10           238.302 (5) ENVIRONMENTAL REMEDIATION PROJECT. A project that involves  
11 significant environmental remediation, as determined by the corporation.

END INS. 7-11

✓



Phone Call from Nate Yahr

10-18-11

Separate out changes to Economic Development  
Tax Credit. → new bill

O.K. to keep changes to make def of  
"full-time" aff consistent among tax  
credit programs



State of Wisconsin  
2011 - 2012 LEGISLATURE



LRB-2858/2  
FFK&JK:cjs:rs  
13  
RMK  
Stays

2011 BILL

SAV

in Tuesday 10-18

due Thursday  
10-20

- re gov

1 AN ACT *to repeal* 238.399 (5) (c) 1. b. and 238.399 (5) (c) 2. a. and c.; *to renumber*  
2 *and amend* 238.16 (1) (c); *to consolidate, renumber and amend* 238.399 (5)  
3 (c) 1. (intro.) and a. and 238.399 (5) (c) 2. (intro.) and b.; *to amend* 71.07 (2dx)  
4 (a) 4., 71.07 (2dy) (d) 1., 71.10 (4) (gv), 71.10 (4) (i), 71.28 (1dx) (a) 4., 71.28 (1dy)  
5 (d) 1., 71.30 (3) (ema), 71.30 (3) (f), 71.47 (1dx) (a) 4., 71.47 (1dy) (d) 1., 71.49 (1)  
6 (ema), 71.49 (1) (f), 76.636 (1) (d), 238.16 (3) (intro.), 238.16 (3) (am), 238.16 (4)  
7 (b) 1. (intro.), 238.30 (intro.), 238.30 (2m) (b), 238.399 (1) (am) 2., 238.399 (5) (b)  
8 and 238.399 (5) (d) 1.; and *to create* 20.835 (2) (cp), 71.07 (2dy) (d) 1m., 71.07  
9 (2dy) (d) 4., 71.28 (1dy) (d) 1m., 71.28 (1dy) (d) 4., 71.47 (1dy) (d) 1m., 71.47 (1dy)  
10 (d) 4., 76.637 (5), 238.16 (1) (c) 2., 238.30 (1m), 238.30 (2j), 238.302 (1m) and  
11 238.302 (5) of the statutes; **relating to:** tax credit programs administered by

**BILL**

1 the Wisconsin Economic Development Corporation, providing refunds for the  
2 economic development tax credit, and making an appropriation.

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

Under current law, the Wisconsin Economic Development Corporation (WEDC) administers the jobs tax credit, the economic development tax credit, the development opportunity zone tax credit, and the enterprise zone tax credit (tax credit programs). This bill makes various changes to these tax credit programs. ✓

***Definition of "full-time job"***

Under current law, each of the tax credit programs defines a "full-time job" as a job in which an individual must work 2,080 hours per year as a condition of his or her employment. However, for purposes of the enterprise zone tax credit program and the economic development tax credit program, WEDC is currently authorized to make an exception to the 2,080 hour requirement for individuals who work at a job not less than 37.5 hours per week. Under this bill, the definition of "full-time job" in each of the tax credit programs provides that WEDC may make an exception to the 2,080 hours per year requirement as long as the employed individual receives benefits that are acceptable to the corporation. ✓

***Jobs Tax Credit***

Under current law, WEDC may certify a person to claim the jobs tax credit if the person operates or intends to operate a business in Wisconsin, will increase its net employment in Wisconsin, and will pay annual wages to a full-time employee for whom the person claims tax benefits of at least \$20,000 in Tier I counties or municipalities and at least \$30,000 in Tier II counties or municipalities. A person certified under the program may receive per-employee tax benefits in the amount of 10 percent of the wages paid to a full-time employee who meets the wage requirement for the county or municipality. A person certified under the program may also receive tax benefits for providing job training to its employees.

Under this bill, a person certified for the jobs tax credit program may receive per-employee tax benefits up to 10 percent of the wages paid to a full-time employee who meets the wage requirements for the county or municipality. This bill also authorizes WEDC to certify a person to claim the jobs tax credit if the person maintains increased net employment in the person's business.

***Economic Development Tax Credit***

Under current law, in order for WEDC to certify a person to claim the economic development tax credit, the person must enter into a contract with WEDC to undertake one of the following eligible activities in the state:

1. A job creation project that results in the creation and maintenance of full-time jobs.
2. A project that involves a significant investment of capital, as defined by WEDC, by the person in new equipment, machinery, real property, or depreciable personal property. ✓

**BILL**

3. A project that involves significant investments in the training or reeducation of employees, as defined by WEDC, for the purpose of improving the productivity or competitiveness of the business of the person.

4. A project that will result in the location or retention of a person's corporate headquarters in Wisconsin or that will result in the retention of full-time employees if the person's corporate headquarters are located in Wisconsin.

Under this bill, in addition to the existing eligible activities, WEDC may certify a person who enters into a contract with WEDC to undertake a project that maintains a specific number of existing full-time jobs or that involves significant environmental remediation.

Under current law, if the amount of the economic development tax credit that a person may claim exceeds the person's tax liability, the person does not receive a refund, but, instead, may carry forward any unused credit amount to subsequent taxable years. Under the bill, beginning on or after January 1, 2013, a person may claim a refund for the amount of the economic development tax credit that exceeds the person's tax liability.

***Enterprise Zone Tax Credit.***

Under current law, WEDC is authorized to designate up to 20 areas in the state as enterprise zones. Currently, WEDC may certify any of the following businesses to claim the enterprise zone tax credit:

1. A business that relocates to an enterprise zone from outside the state, if the business offers compensation and benefits to its employees working in the zone for the same type of work that are at least as favorable as those offered to its employees working outside the zone.

2. A business that expands its operations in an enterprise zone, increases its personnel by at least 10 percent, and enters into an agreement with WEDC to claim tax benefits only for years during which the business maintains the increased level of personnel. The business must offer compensation and benefits for the same type of work to its employees working in the enterprise zone that are at least as favorable as those offered to its employees working in Wisconsin but outside the zone.

3. A business that expands its operations in an enterprise zone and that makes a capital investment in property located in the enterprise zone if: (a) the value of the capital investment is equal to at least 10 percent of the business's gross revenues from business in the state in the preceding tax year; (b) the business enters into an agreement with WEDC to claim tax benefits only for years during which the business maintains the capital investment; and (c) the business offers compensation and benefits for the same type of work to its employees working in the zone that are at least as favorable as those offered to its employees working in Wisconsin, but outside the zone.

4. A business that retains jobs in an enterprise zone, but only if the business makes a significant capital investment in property located in the zone, and either (a) the business is an original equipment manufacturer with a significant supply chain in Wisconsin or (b) more than 500 full-time employees are employed by the business in the enterprise zone.

**BILL**

This bill makes the following changes to the requirements for certification to claim the enterprise zone tax credit:

1. For a business that relocates to this state, this bill removes the requirement that the business offer compensation and benefits to its employees working in the enterprise zone for the same type of work that are at least as favorable as those offered to its employees working outside the zone.

2. For a business that expands its operations in an enterprise zone, this bill removes the requirement that the business offer compensation and benefits for the same type of work to its employees working in the enterprise zone that are at least as favorable as those offered to its employees working in Wisconsin but outside the zone. Additionally, this bill eliminates the requirement that the value of a qualifying capital investment in an enterprise zone must be at least 10 percent of the business's gross revenues. Under this bill, a business that expands operations in an enterprise zone may qualify for the enterprise zone tax credit by making a significant capital investment, as determined by WEDC.

3. For a business that retains jobs in the enterprise zone, the bill eliminates the requirement that the business must be an original equipment manufacturer with a significant supply chain in Wisconsin and allows certification for a business that is any type of manufacturer with a significant supply chain in Wisconsin.

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:*

*J*

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

2               20.835 (2) (cp) *Economic development tax credits.* A sum sufficient to make the  
3       payments under ss. 71.07 (2dy) (d) 4., 71.28 (1dy) (d) 4., 71.47 (1dy) (d) 4., and 76.637  
4       (5).

5       **SECTION 2.** 71.07 (2dx) (a) 4. of the statutes is amended to read:

6               71.07 (2dx) (a) 4. "~~Full-time job~~" means ~~a regular, nonseasonal full-time~~  
7       ~~position in which an individual, as a condition of employment, is required to work at~~  
8       ~~least 2,080 hours per year, including paid leave and holidays, and for which the~~  
9       ~~individual receives pay that is equal to at least 150% of the federal minimum wage~~  
10       ~~and receives benefits that are not required by federal or state law.~~ "Full-time job"

**BILL**

1 ~~does not include initial training before an employment position begins~~ has the  
2 meaning given in s. 238.30 (2m).

3 **SECTION 3.** 71.07 (2dy) (d) 1. of the statutes is amended to read:

4 71.07 (2dy) (d) 1. Except For taxable years beginning before January 1, 2013,  
5 except as provided in subd. 2., s. 71.28 (4) (e) and (f), as it applies to the credit under  
6 s. 71.28 (4), applies to the credit under this subsection.

7 **SECTION 4.** 71.07 (2dy) (d) 1m. of the statutes is created to read:

8 71.07 (2dy) (d) 1m. For taxable years beginning after December 31, 2012,  
9 except as provided in subd. 2., s. 71.28 (4) (e), as it applies to the credit under s. 71.28  
10 (4), applies to the credit under this subsection.

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

12 71.07 (2dy) (d) 4. For taxable years beginning after December 31, 2012, if the  
13 allowable amount of the claim under par. (b) exceeds the tax otherwise due under s.  
14 71.02 or 71.08, the amount of the claim not used to offset the tax due shall be certified  
15 by the department of revenue to the department of administration for payment by  
16 check, share draft, or other draft drawn from the appropriation account under s.  
17 20.835 (2) (cp).

18 **SECTION 6.** 71.10 (4) (gv) of the statutes is amended to read:

19 71.10 (4) (gv) Economic development tax credit under s. 71.07 (2dy), except as  
20 provided under par. (i).

21 **SECTION 7.** 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, economic development  
25 tax credit under s. 71.07 (2dy) (d) 4., farmland tax relief credit under s. 71.07 (3m),

**BILL****SECTION 7**

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

11 **SECTION 8.** 71.28 (1dx) (a) 4. of the statutes is amended to read:

12 71.28 (1dx) (a) 4. "Full-time job" means a regular, nonseasonal full-time  
13 position in which an individual, as a condition of employment, is required to work at  
14 least 2,080 hours per year, including paid leave and holidays, and for which the  
15 individual receives pay that is equal to at least 150% of the federal minimum wage  
16 and receives benefits that are not required by federal or state law. "Full-time job"  
17 does not include initial training before an employment position begins has the  
18 meaning given in s. 238.30 (2m).

19 **SECTION 9.** 71.28 (1dy) (d) 1. of the statutes is amended to read:

20 71.28 (1dy) (d) 1. Except For taxable years beginning before January 1, 2013,  
21 except as provided in subd. 2., sub. (4) (e) and (f), as it applies to the credit under sub.  
22 (4), applies to the credit under this subsection.

23 **SECTION 10.** 71.28 (1dy) (d) 1m. of the statutes is created to read:

**BILL**

1 71.28 (1dy) (d) 1m. For taxable years beginning after December 31, 2012,  
2 except as provided in subd. 2., sub. (4) (e), as it applies to the credit under sub. (4),  
3 applies to the credit under this subsection.

4 **SECTION 11.** 71.28 (1dy) (d) 4. of the statutes is created to read:

5 71.28 (1dy) (d) 4. For taxable years beginning after December 31, 2012, if the  
6 allowable amount of the claim under par. (b) exceeds the tax otherwise due under s.  
7 71.23, the amount of the claim not used to offset the tax due shall be certified by the  
8 department of revenue to the department of administration for payment by check,  
9 share draft, or other draft drawn from the appropriation account under s. 20.835 (2)  
10 (cp).

11 **SECTION 12.** 71.30 (3) (ema) of the statutes is amended to read:

12 71.30 (3) (ema) Economic development tax credit under s. 71.28 (1dy), except  
13 as provided under par. (f).

14 **SECTION 13.** 71.30 (3) (f) of the statutes is amended to read:

15 71.30 (3) (f) The total of farmland preservation credit under subch. IX,  
16 economic development tax credit under s. 71.28 (1dy) (d) 4., farmland tax relief credit  
17 under s. 71.28 (2m), dairy manufacturing facility investment credit under s. 71.28  
18 (3p), jobs credit under s. 71.28 (3q), meat processing facility investment credit under  
19 s. 71.28 (3r), woody biomass harvesting and processing credit under s. 71.28 (3rm),  
20 food processing plant and food warehouse investment credit under s. 71.28 (3rn),  
21 enterprise zone jobs credit under s. 71.28 (3w), film production services credit under  
22 s. 71.28 (5f), film production company investment credit under s. 71.28 (5h),  
23 beginning farmer and farm asset owner tax credit under s. 71.28 (8r), and estimated  
24 tax payments under s. 71.29.

25 **SECTION 14.** 71.47 (1dx) (a) 4. of the statutes is amended to read:



**BILL**

**SECTION 14**

1           71.47 (1dx) (a) 4. "Full-time job" means a regular, nonseasonal full-time  
 2 position in which an individual, as a condition of employment, is required to work at  
 3 least 2,080 hours per year, including paid leave and holidays, and for which the  
 4 individual receives pay that is equal to at least 150% of the federal minimum wage  
 5 and receives benefits that are not required by federal or state law. "Full-time job"  
 6 does not include initial training before an employment position begins has the  
 7 meaning given in s. 238.30 (2m).

8           **SECTION 15.** 71.47 (1dy) (d) 1. of the statutes is amended to read:

9           71.47 (1dy) (d) 1. Except For taxable years beginning before January 1, 2013,  
 10 except as provided in subd. 2., sub. (4) (e) and (f), as it applies to the credit under sub.  
 11 (4), applies to the credit under this subsection.

12           **SECTION 16.** 71.47 (1dy) (d) 1m. of the statutes is created to read:

13           71.47 (1dy) (d) 1m. For taxable years beginning after December 31, 2012,  
 14 except as provided in subd. 2., sub. (4) (e), as it applies to the credit under sub. (4),  
 15 applies to the credit under this subsection.

16           **SECTION 17.** 71.47 (1dy) (d) 4. of the statutes is created to read:

17           71.47 (1dy) (d) 4. For taxable years beginning after December 31, 2012, if the  
 18 allowable amount of the claim under par. (b) exceeds the tax otherwise due under s.  
 19 71.43, the amount of the claim not used to offset the tax due shall be certified by the  
 20 department of revenue to the department of administration for payment by check,  
 21 share draft, or other draft drawn from the appropriation account under s. 20.835 (2)  
 22 (cp).

23           **SECTION 18.** 71.49 (1) (ema) of the statutes is amended to read:

24           71.49 (1) (ema) Economic development tax credit under s. 71.47 (1dy), except  
 25 as provided under par. (f).

**BILL**

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

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

12 **SECTION 20.** 76.636 (1) (d) of the statutes is amended to read:

13 76.636 (1) (d) "Full-time job" ~~means a regular, nonseasonal, full-time position~~  
14 ~~in which an individual, as a condition of employment, is required to work at least~~  
15 ~~2,080 hours per year, including paid leave and holidays, and for which the individual~~  
16 ~~receives pay that is equal to at least 150 percent of the federal minimum wage and~~  
17 ~~receives benefits that are not required by federal or state law. "Full-time job" does~~  
18 ~~not include initial training before an employment position begins~~ has the meaning  
19 given in s. 238.30 (2m).

20 **SECTION 21.** 76.637 (5) of the statutes is created to read:

21 76.637 (5) REFUNDS. For taxable years beginning after December 31, 2012, if  
22 the allowable amount of the claim under sub. (2) exceeds the fees otherwise due  
23 under s. 76.60, 76.63, 76.65, 76.66, or 76.67, the amount of the claim not used to offset  
24 the fee due shall be certified by the department of revenue to the department of

**BILL**

1 administration for payment by check, share draft, or other draft drawn from the  
2 appropriation account under s. 20.835 (2) (cp).

3 **SECTION 22.** 238.16 (1) (c) of the statutes, as affected by 2011 Wisconsin Act 32,  
4 is renumbered 238.16 (1) (c) 1. and amended to read:

5 238.16 (1) (c) 1. ~~Full-time~~ Except as provided in subd. 2., “full-time job” means  
6 a regular, nonseasonal full-time position in which an individual, as a condition of  
7 employment, is required to work at least 2,080 hours per year, including paid leave  
8 and holidays, and for which the individual ~~receives pay that is equal to at least 150~~  
9 ~~percent of the federal minimum wage~~ earns at least \$20,000 in wages and receives  
10 benefits that are not required by federal or state law. “Full-time job” does not include  
11 initial training before an employment position begins.

12 **SECTION 23.** 238.16 (1) (c) 2. of the statutes is created to read:

13 238.16 (1) (c) 2. The corporation may specify circumstances under which the  
14 corporation may grant exceptions to the requirement under subd. 1. that a full-time  
15 job means a position in which an individual, as a condition of employment, is  
16 required to work at least 2,080 hours per year, but under no circumstances may a  
17 full-time job mean a position in which a individual does not receive benefits  
18 acceptable to the corporation.

19 **SECTION 24.** 238.16 (3) (intro.) of the statutes, as affected by 2011 Wisconsin  
20 Act 32, is amended to read:

21 238.16 (3) **ELIGIBILITY FOR TAX BENEFITS.** (intro.) A person certified under sub.  
22 (2) may receive tax benefits under this section if, in each year for which the person  
23 claims tax benefits under this section, the person increases net employment or  
24 maintains increased net employment in the person’s business, and one of the  
25 following applies:

**BILL**

1           **SECTION 25.** 238.16 (3) (am) of the statutes, as created by 2011 Wisconsin Act  
2 32, is amended to read:

3           238.16 (3) (am) The person increases net employment or maintains increased  
4 net employment in the person's business.

5           **SECTION 26.** 238.16 (4) (b) 1. (intro.) of the statutes, as affected by 2011  
6 Wisconsin Act 32, is amended to read:

7           238.16 (4) (b) 1. (intro.) The corporation may award to a person certified under  
8 sub. (2) tax benefits for each eligible employee in an amount equal to that does not  
9 exceed 10 percent of the wages paid by the person to that employee or \$10,000,  
10 whichever is less, if that employee earned wages in the year for which the tax benefit  
11 is claimed equal to one of the following:

12           **SECTION 27.** 238.30 (intro.) of the statutes, as affected by 2011 Wisconsin Act  
13 32, is amended to read:

14           **238.30 Definitions.** (intro.) In this section and ss. ~~238.31~~ 238.301 to 238.395:

15           **SECTION 28.** 238.30 (1m) of the statutes is created to read:

16           238.30 (1m) "Brownfield" means an industrial or commercial facility the  
17 expansion or development of which is complicated by environmental pollution.

18           **SECTION 29.** 238.30 (2j) of the statutes is created to read:

19           238.30 (2j) "Environmental remediation" means removal or containment of  
20 environmental pollution, as defined in s. 299.01 (4), and restoration of soil or  
21 groundwater that is affected by environmental pollution, as defined in s. 299.01 (4),  
22 in a brownfield.

23           **SECTION 30.** 238.30 (2m) (b) of the statutes, as affected by 2011 Wisconsin Act  
24 32, is amended to read:

**BILL****SECTION 30**

1           238.30 (2m) (b) The corporation may ~~adopt a rule specifying~~ specify  
2           circumstances under which the corporation may grant exceptions to the requirement  
3           under par. (a) that a full-time job means a job in which an individual, as a condition  
4           of employment, is required to work at least 2,080 hours per year, but under no  
5           circumstances may a full-time job mean a job in which an individual, ~~as a condition~~  
6           ~~of employment, is required to work less than 37.5 hours per week~~ does not receive  
7           benefits acceptable to the corporation.

8           **SECTION 31.** 238.302 (1m) of the statutes is created to read:

9           238.302 (1m) JOBS RETENTION PROJECT. A project that maintains, for a period  
10          of time established by the corporation, a specific number, as determined by the  
11          person, of existing full-time jobs provided by the person.

12          **SECTION 32.** 238.302 (5) of the statutes is created to read:

13          238.302 (5) ENVIRONMENTAL REMEDIATION PROJECT. A project that involves  
14          significant environmental remediation, as determined by the corporation.

15          **SECTION 33.** 238.399 (1) (am) 2. of the statutes, as affected by 2011 Wisconsin  
16          Act 32, is amended to read:

17          238.399 (1) (am) 2. The corporation may ~~by rule~~ specify circumstances under  
18          which the corporation may grant exceptions to the requirement under subd. 1. that  
19          a full-time employee means an individual who, as a condition of employment, is  
20          required to work at least 2,080 hours per year, but under no circumstances may a  
21          full-time employee mean an individual who, ~~as a condition of employment,~~ is  
22          ~~required to work less than 37.5 hours per week~~ does not receive benefits acceptable  
23          to the corporation.

24          **SECTION 34.** 238.399 (5) (b) of the statutes, as affected by 2011 Wisconsin Act  
25          32, is amended to read:

**BILL**

1           238.399 (5) (b) A business that relocates to an enterprise zone from outside this  
2 state, ~~if the business offers compensation and benefits to its employees working in~~  
3 ~~the zone for the same type of work that are at least as favorable as those offered to~~  
4 ~~its employees working outside the zone, as determined by the corporation.~~

5           **SECTION 35.** 238.399 (5) (c) 1. (intro.) and a. of the statutes, as affected by 2011  
6 Wisconsin Act 32, are consolidated, renumbered 238.399 (5) (c) 1. and amended to  
7 read:

8           238.399 (5) (c) 1. The business will increase its personnel by at least 10 percent  
9 and ~~all of the following apply:~~ a. ~~The~~ the business enters into an agreement with the  
10 corporation to claim tax benefits only for years during which the business maintains  
11 the increased level of personnel.

12           **SECTION 36.** 238.399 (5) (c) 1. b. of the statutes, as affected by 2011 Wisconsin  
13 Act 32, is repealed.

14           **SECTION 37.** 238.399 (5) (c) 2. (intro.) and b. of the statutes, as affected by 2011  
15 Wisconsin Act 32, are consolidated, renumbered 238.399 (5) (c) 2. and amended to  
16 read:

17           238.399 (5) (c) 2. The business makes a significant capital investment, as  
18 determined by the corporation, in property located in the enterprise zone and ~~all of~~  
19 ~~the following apply:~~ b. ~~The~~ the business enters into an agreement with the  
20 corporation to claim tax benefits only for years during which the business maintains  
21 the capital investment.

22           **SECTION 38.** 238.399 (5) (c) 2. a. and c. of the statutes, as affected by 2011  
23 Wisconsin Act 32, are repealed.

24           **SECTION 39.** 238.399 (5) (d) 1. of the statutes, as affected by 2011 Wisconsin Act  
25 32, is amended to read:

**BILL****SECTION 39**

1 238.399 (5) (d) 1. The business is ~~an original equipment~~ a manufacturer with  
2 a significant supply chain in the state, as determined by the corporation by rule.

3 **SECTION 40. Initial applicability.**

4 (1) The repeal of section 238.399 (5) (c) 1. b. and 2. a. and c. of the statutes, the  
5 renumbering and amendment of section 238.16 (1) (c) of the statutes, the  
6 consolidation, renumbering and amendment of section 238.399 (5) (c) 1. (intro.) and  
7 a. and 2. (intro.) and b. of the statutes, the amendment of sections 71.07 (2dx) (a) 4.,  
8 71.28 (1dx) (a) 4., 71.47 (1dx) (a) 4., 76.636 (1) (d), 238.16 (3) (intro.) and (am) and (4)  
9 (b) 1. (intro.), 238.30 (intro.) and (2m) (b), and 238.399 (1) (am) 2. and (5) (b) and (d)  
10 1. of the statutes, and the creation of section 238.16 (1) (c) 2., 238.30 (1m) and (2j),  
11 and 238.302 (1m) and (5) of the statutes first apply to taxable years beginning on  
12 January 1, 2012.

13

(END)

**Knepp, Fern**

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**From:** Yahn, Nate - DOA [Nate.Yahn@wisconsin.gov]  
**Sent:** Thursday, January 19, 2012 9:43 AM  
**To:** Knepp, Fern  
**Subject:** Draft LRB 2858/3 - WEDC Tax Credit Program  
**Attachments:** WEDC Tax Credit Program Clean-up Bill Draft 011212.pdf

Hi Fern,

Hope everything is going well.

I have one alteration to the attached draft that if you can include, and send back to me when completed, would be great.

Thanks, Fern.

*Please include the following:*

ISSUE BRIEF: WEDC annual report

TOPIC: WEDC Operations

BACKGROUND: Wisconsin §238.07 (1), requires WEDC to file an annual report to the legislature identifying the economic development projects they intend to implement in the "current calendar year". This report is due by January 1.

RECOMMENDATION: To provide consistency with WEDC strategic planning that is done in accordance with the fiscal year, the filing date for the report should be amended to coincide with the fiscal year and be required for July 1.

-

**Nate Yahn**

*Policy Assistant for Economic Development*

*Office of the Governor*

*Phone: 608-261-6787*

*Email: [nate.yahn@wisconsin.gov](mailto:nate.yahn@wisconsin.gov)*