

2011 Jr1 DRAFTING REQUEST

Bill

Received: **12/17/2010**

Received By: **jkreye**

Wanted: **As time permits**

Companion to LRB:

For: **Administration**

By/Representing: **Quinn**

May Contact:

Drafter: **jkreye**

Subject: **Tax, Business - credits**

Addl. Drafters:

Extra Copies:

Submit via email: **YES**

Requester's email: **jennifer.kraus@doa.state.wi.us**

Carbon copy (CC:) to: **joseph.kreye@legis.wisconsin.gov**
david.schmiedicke@doa.state.wi.us
scott.thornton@wisconsin.gov
ryan.murray@wisconsin.gov
brian.quinn@wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Tax credit for businesses that relocate to this state

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>
/P1	jkreye 12/17/2010		phenry 12/17/2010	_____	sbasford 12/17/2010		State
/1	jkreye 12/20/2010	wjackson 12/20/2010	nnatzke 12/20/2010	_____	cduerst 12/20/2010		State
/2	jkreye	jdyer	rschlue	_____	sbasford	sbasford	State

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
	01/03/2011	01/03/2011	01/03/2011 _____		01/03/2011	01/03/2011	

FE Sent For:

*at
intro*

<END>

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/2	jkreye	jdyer	rschlue	_____	sbasford		State

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	01/03/2011	01/03/2011	01/03/2011 _____		01/03/2011		

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Subject: Tax, Business - credits

Addl. Drafters:

Extra Copies:

Submit via email: YES

Requester's email: jennifer.kraus@doa.state.wi.us

Carbon copy (CC:) to: Brian Quinn @ doa.state.wi.us
joseph.kreye@legis.wisconsin.gov
david.schmiedicke@doa.state.wi.us
kevin.moore@wisconsin.gov

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/P1	jkreye 12/17/2010	12/17/2010 jld	phenry 12/17/2010	_____	sbasford 12/17/2010		State
/1	jkreye 12/20/2010	wjackson 12/20/2010	nmatzke 12/20/2010	_____	cdurst 12/20/2010		State

FE Sent For:

1311
J. D. 1/3
<END> ps

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For: **Administration**

By/Representing: **Quinn**

May Contact:

Drafter: **jkreye**

Subject: **Tax, Business - credits**

Addl. Drafters:

Extra Copies:

Submit via email: **YES**

Requester's email: **jennifer.kraus@doa.state.wi.us**

Carbon copy (CC:) to: **joseph.kreye@legis.wisconsin.gov**
david.schmiedicke@doa.state.wi.us
kevin.moore@wisconsin.gov

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/P1	jkreye 12/17/2010 jkreye	/1 WLJ 12/20	phenry 12/17/2010 /1 nwn 12/20	_____	sbasford 12/17/2010		State

FE Sent For:

<END>

Kreye, Joseph

From: Hanaman, Cathlene
Sent: Monday, December 20, 2010 3:52 PM
To: Kreye, Joseph
Subject: FW: Drafting Request - Jobs Bill
Don't you have this already?

From: DOADLBASADMININTERNETSHAREPOINT@WI.GOV
[mailto:DOADLBASADMININTERNETSHAREPOINT@WI.GOV]
Sent: Monday, December 20, 2010 3:44 PM
To: Hanaman, Cathlene
Cc: Kraus, Jennifer - DOA; Thornton, Scott - DOA; Grinde, Kirsten - DOA
Subject: Drafting Request - Jobs Bill

Topic: Two Year Relocated Business Tax Credit

Tracking Code: JB0019

SBO Team: TTO

SBO Analyst: Quinn, Brian D - DOA
Phone: (608) 266-1923
E-mail: brian.quinn@wisconsin.gov

Agency Acronym: SRTR

Agency Number: 835

Priority: High

Intent:

Create a tax credit equal to the tax liability of a business for each of the first two years after that business relocates to Wisconsin. The business must not have regularly done business in Wisconsin for the previous ten years in order to be eligible for the credit prior to its relocation.

Attachments: False

2011 DRAFTING REQUEST

Bill

Received: **12/17/2010**

Received By: **jkreye**

Wanted: **As time permits**

Companion to LRB:

For: **Administration-Budget**

By/Representing: **Quinn**

May Contact:

Drafter: **jkreye**

Subject: **Tax, Business - credits**

Addl. Drafters:

Extra Copies:

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to:

Pre Topic:

DOA:.....Quinn, BB0155 -

Topic:

Tax credit for businesses that relocate to this state

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>
/P1	jkreye 12/17/2010		phenry 12/17/2010	_____	sbasford 12/17/2010		State

FE Sent For:

<END>

2011 DRAFTING REQUEST

Bill

Received: 12/17/2010

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Wanted: **As time permits**

Companion to LRB:

For: **Administration-Budget**

By/Representing: **Quinn**

May Contact:

Drafter: **jkreye**

Subject: **Tax, Business - credits**

Addl. Drafters:

Extra Copies:

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to:

Pre Topic:

DOA:.....Quinn, BB0155 -

Topic:

Tax credit for businesses that relocate to this state

Instructions:

See attached

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/P1	jkreye	<i>P1 12/17 JLO</i>	<i>12/17 PA</i>	<i>12/17 PA</i>			

FE Sent For:

<END>

2011 DRAFTING REQUEST

Bill

Received: 12/17/2010

Received By: **jkreye**

Wanted: **As time permits**

Companion to LRB:

For: **Administration-Budget**

By/Representing: **Quinn**

May Contact:

Drafter: **jkreye**

Subject: **Tax, Business - credits**

Addl. Drafters:

Extra Copies:

*New LRB
0754*

Submit via email: **YES**

Requester's email:

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

Pre Topic:

DOA:.....Quinn, BB0155 -

Topic:

Tax credit for businesses that relocate to this state

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>
/P1	jkreye	<i>P1 12/17 jld</i>					

FE Sent For:

<END>

Kreye, Joseph

From: Hanaman, Cathlene
Sent: Friday, December 17, 2010 8:38 AM
To: Kreye, Joseph
Subject: FW: Statutory Language Drafting Request

From: DOADLBASADMININTERNETSHAREPOINT@WI.GOV
[mailto:DOADLBASADMININTERNETSHAREPOINT@WI.GOV]
Sent: Thursday, December 16, 2010 5:16 PM
To: Hanaman, Cathlene
Cc: Shayna.Hetzel@wisconsin.gov; Thornton, Scott - DOA; Grinde, Kirsten - DOA
Subject: Statutory Language Drafting Request

Topic: Two Year Relocated Business Tax Credit

Tracking Code: BB0155

SBO Team: TTO

SBO Analyst: Quinn, Brian D - DOA
Phone: (608) 266-1923
E-mail: brian.quinn@wisconsin.gov

Agency Acronym: SRTR

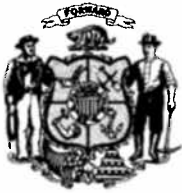
Agency Number: 835

Priority: High

Intent:

Create a tax credit equal to the tax liability of a business for each of the first two years after that business relocates to Wisconsin. The business must not have regularly done business in Wisconsin for the previous ten years in order to be eligible for the credit prior to its relocation.

Attachments: False



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-0754/P1

LPS
PLEASE → JK:..... jld
check header
spacing + markers (fix)

DOA:.....Quinn, BB0155 - Tax credit for businesses that relocate to this state

FOR 2011-13 BUDGET -- NOT READY FOR INTRODUCTION

in 12-17-10

✓

DO NOT GEN ✓

1

AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION ✓

INCOME TAXATION ✓

This bill creates an income and franchise tax credit for a business for two consecutive taxable years beginning with the taxable year in which the business locates to this state from another state and begins operations in this state. The credit is equal to the amount of the taxpayer's income or franchise tax liability after applying all other credits, deductions, and exclusions. The taxpayer does not receive a refund of the credit amount, but, instead, may apply the credit amount to subsequent taxable years.

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:

2

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

3

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

4

(2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r),

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header spacing →

LRB-0754/P1
SECTION 1

1 (3rm), (3rn), (3s), (3t), (3w), (5e), (5f), (5h), (5i), (5j), (5k), (5r), (5rm), and (8r), and (9s)
2 and not passed through by a partnership, limited liability company, or tax-option
3 corporation that has added that amount to the partnership's, company's, or
4 tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g).

~~NOTE: NOTE: Subd. 15. is shown as affected by 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). 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).~~

5 **SECTION 2.** 71.07 (9s) of the statutes is created to read:

6 **71.07 (9s) RELOCATED BUSINESS CREDIT.** (a) *Definitions*. In this subsection,
7 "claimant" means a person who files a claim under this subsection.

8 (b) *Filing claims*. Subject to the limitations provided under this subsection, for
9 taxable years beginning after December 31, 2010, for 2 consecutive taxable years
10 beginning with the taxable year in which the claimant's business locates to this state
11 from another state and begins operations in this state, a claimant may claim as a
12 credit against the taxes imposed under ss. 71.02 and 71.08, up to the amount of the
13 taxes, the amount of the claimant's tax liability under this subchapter after applying
14 all other allowable credits, deductions, and exclusions.

15 (c) *Limitations*. 1. No person may claim a credit under this subsection if the
16 person has done business in this state during any of the 10 taxable years preceding
17 the taxable year in which the person would otherwise be eligible to claim a credit
18 under par. (b).

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

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1 provide that information to each of them. Partners, members of limited liability
2 companies, and shareholders of tax-option corporations[✓] may claim the credit in
3 proportion to their ownership interests.

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

6 **SECTION 3.** 71.08 (1) (intro.)[✓] of the statutes is amended to read:

7 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married
8 couple filing jointly, trust, or estate under s. 71.02, not considering the credits under
9 ss. 71.07 (1), (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2dy), (3m), (3n), (3p),
10 (3q), (3r), (3rm), (3rn), (3s), (3t), (3w), (5b), (5d), (5e), (5f), (5h), (5i), (5j), (6), (6e), (8r),
11 and (9e),[✓] and (9s), 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1dy), (2m), (3),
12 (3n), (3t), and (3w), 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1dy), (2m), (3),
13 (3n), (3t), and (3w), 71.57 to 71.61, and 71.613 and subch. VIII and payments to other
14 states under s. 71.07 (7), is less than the tax under this section, there is imposed on
15 that natural person, married couple filing jointly, trust or estate, instead of the tax
16 under s. 71.02, an alternative minimum tax computed as follows:

NOTE: NOTE: Sub. (1) (intro.) 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. 71.07 (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: 1987 a. 312, 411; 1989 a. 31; 1991 a. 39; 1995 a. 27, 209; 1997 a. 27, 237; 1999 a. 9; 2001 a. 109; 2003 a. 99, 135, 255, 326; 2005 a. 25, 177, 361, 479, 483; 2007 a. 20, 97; 2009 a. 2, 28, 269, 295; s. 13.92 (1) (bm) 2., (2) (i).

17 **SECTION 4.** 71.10 (4) (hm)[✓] of the statutes is created to read:

18 71.10 (4) (hm) Relocated business credit under s. 71.07 (9s).[✓]

19 **SECTION 5.** 71.21 (4)[✓] of the statutes is amended to read:

20 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
21 (2dj), (2dL), (2dm), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s),
22 (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), and (8r), and (9s)[✓] and passed
23 through to partners shall be added to the partnership's income.

1 NOTE: NOTE: NOTE: Sub. (4) is shown as affected by 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 (3rm) was changed from s. 71.07 (3rm) by the legislative reference bureau under s. 13.92 (1) (bm) 2. to reflect the renumbering
3 of s. 71.07 (3rm), 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).

4 SECTION 6. 71.26 (2) (a) 4. of the statutes is amended to read:

5 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dd),
6 (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r),
7 (3rm), (3rn), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), and (8r), and (9s)
8 and not passed through by a partnership, limited liability company, or tax-option
9 corporation that has added that amount to the partnership's, limited liability
10 company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g).

NOTE: NOTE: Subd. 4 is shown as affected by 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 (3rn) 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. 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, 205, 265, 269, 295, 332, 344; s. 13.92 (1) (bm) 2., (2) (i).

11 SECTION 7. 71.28 (9s) of the statutes is created to read:

12 71.28 (9s) RELOCATED BUSINESS CREDIT. (a) *Definitions*. In this subsection,
13 "claimant" means a person who files a claim under this subsection.

14 (b) *Filing claims*. Subject to the limitations provided under this subsection, for
15 taxable years beginning after December 31, 2010, for 2 consecutive taxable years
16 beginning with the taxable year in which the claimant's business locates to this state
17 from another state and begins operations in this state, a claimant may claim as a
18 credit against the taxes imposed under s. 71.23, up to the amount of the taxes, the
19 amount of the claimant's tax liability under this subchapter after applying all other
20 allowable credits, deductions, and exclusions.

21 (c) *Limitations*. 1. No person may claim a credit under this subsection if the
22 person has done business in this state during any of the 10 taxable years preceding
23 the taxable year in which the person would otherwise be eligible to claim a credit
24 under par. (b).

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

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

11 **SECTION 8.** 71.30 (3) (ex) of the statutes is created to read:

12 71.30 (3) (ex) Relocated business credit under s. 71.28 (9s).

13 **SECTION 9.** 71.34 (1k) (g) of the statutes is amended to read:

14 71.34 (1k) (g) An addition shall be made for credits computed by a tax-option
15 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy),
16 (3), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j),
17 (5k), (5r), (5rm), and (8r), and (9s) and passed through to shareholders.

NOTE: NOTE: Par. (g) is shown as affected by 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 (3rn) 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 245, 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. 9, 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, 361, 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).

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

19 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
20 computed under s. 71.47 (1dd) to (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn),
21 (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), and (8r), and (9s) and not passed
22 through by a partnership, limited liability company, or tax-option corporation that
23 has added that amount to the partnership's, limited liability company's, or

1 tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g) and the amount
2 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 (3m) was changed from s. 71.47 (3m) by the legislative reference bureau under s. 13.92 (1) (bm) 2. to reflect the renumbering of s. 71.47 (3m), 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, 226; 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).

3 SECTION 11. 71.47 (9s) of the statutes is created to read:

4 71.47 (9s) RELOCATED BUSINESS CREDIT. (a) *Definitions*. In this subsection,
5 "claimant" means a person who files a claim under this subsection.

6 (b) *Filing claims*. Subject to the limitations provided under this subsection, for
7 taxable years beginning after December 31, 2010, for 2 consecutive taxable years
8 beginning with the taxable year in which the claimant's business locates to this state
9 from another state and begins operations in this state, a claimant may claim as a
10 credit against the taxes imposed under s. 71.43, up to the amount of the taxes, the
11 amount of the claimant's tax liability under this subchapter after applying all other
12 allowable credits, deductions, and exclusions.

13 (c) *Limitations*. 1. No person may claim a credit under this subsection if the
14 person has done business in this state during any of the 10 taxable years preceding
15 the taxable year in which the person would otherwise be eligible to claim a credit
16 under par. (b).

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

1 companies, and shareholders of tax-option corporations may claim the credit in
2 proportion to their ownership interests.

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

5 **SECTION 12.** 71.49 (1) (ex) of the statutes is created to read:

6 71.49 (1) (ex) Relocated business credit under s. 71.47 (9s).

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

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

LPS-
CHECK
SPACING

LRB-0754/P1

SECTION 13

1 NOTE: 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 (2) (i). The cross-reference to s. 71.07 (3m) was changed from s. 71.07 (3m) by the legislative reference bureau under s. 13.92 (1) (bm) 2. to reflect the renumbering
3 of s. 71.07 (3m), as created by 2009 Wis. Act 295, under s. 13.92 (1) (bm) 2. NOTE:

4 History: 1989 a. 285; 1991 a. 39, 269; 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)



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-0755/P1
JK:jld:ph

stays RMR

DOA:.....Quinn, BB0155 - Tax credit for businesses that relocate to this state

FOR 2011-13 BUDGET -- NOT READY FOR INTRODUCTION

in 12-20

Today

an income and franchise tax credit for businesses that relocate to this state

Gen Cat

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

This bill creates an income and franchise tax credit for a business for two consecutive taxable years beginning with the taxable year in which the business locates to this state from another state and begins operations in this state. The credit is equal to the amount of the taxpayer's income or franchise tax liability after applying all other credits, deductions, and exclusions. The taxpayer does not receive a refund of the credit amount, but, instead, may apply the credit amount to subsequent taxable years.

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:

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

3 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),
4 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r),

1 (3rm), (3rn), (3s), (3t), (3w), (5e), (5f), (5h), (5i), (5j), (5k), (5r), (5rm), ~~and (8r), and (9s)~~
2 and not passed through by a partnership, limited liability company, or tax-option
3 corporation that has added that amount to the partnership's, company's, or
4 tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g).

5 **SECTION 2.** 71.07 (9s) of the statutes is created to read:

6 71.07 **(9s)** RELOCATED BUSINESS CREDIT. (a) *Definition.* In this subsection,
7 "claimant" means a person who files a claim under this subsection.

8 (b) *Filing claims.* Subject to the limitations provided under this subsection, for
9 taxable years beginning after December 31, 2010, for 2 consecutive taxable years
10 beginning with the taxable year in which the claimant's business locates to this state
11 from another state and begins operations in this state, a claimant may claim as a
12 credit against the taxes imposed under ss. 71.02 and 71.08, up to the amount of the
13 taxes, the amount of the claimant's tax liability under this subchapter after applying
14 all other allowable credits, deductions, and exclusions.

15 (c) *Limitations.* 1. No person may claim a credit under this subsection if the
16 person has done business in this state during any of the 10 taxable years preceding
17 the taxable year in which the person would otherwise be eligible to claim a credit
18 under par. (b).

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

1 companies, and shareholders of tax-option corporations may claim the credit in
2 proportion to their ownership interests.

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

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

6 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married
7 couple filing jointly, trust, or estate under s. 71.02, not considering the credits under
8 ss. 71.07 (1), (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2dy), (3m), (3n), (3p),
9 (3q), (3r), (3rm), (3rn), (3s), (3t), (3w), (5b), (5d), (5e), (5f), (5h), (5i), (5j), (6), (6e), (8r),
10 and (9e), and (9s), 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1dy), (2m), (3),
11 (3n), (3t), and (3w), 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1dy), (2m), (3),
12 (3n), (3t), and (3w), 71.57 to 71.61, and 71.613 and subch. VIII and payments to other
13 states under s. 71.07 (7), is less than the tax under this section, there is imposed on
14 that natural person, married couple filing jointly, trust or estate, instead of the tax
15 under s. 71.02, an alternative minimum tax computed as follows:

16 **SECTION 4.** 71.10 (4) (hm) of the statutes is created to read:

17 71.10 (4) (hm) Relocated business credit under s. 71.07 (9s).

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

19 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
20 (2dj), (2dL), (2dm), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s),
21 (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), ~~and (8r)~~, and (9s) and passed
22 through to partners shall be added to the partnership's income.

23 **SECTION 6.** 71.26 (2) (a) 4. of the statutes is amended to read:

24 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dd),
25 (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r),

1 (3rm), (3rn), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), ~~and (8r), and (9s)~~
2 and not passed through by a partnership, limited liability company, or tax-option
3 corporation that has added that amount to the partnership's, limited liability
4 company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g).

5 **SECTION 7.** 71.28 (9s) of the statutes is created to read:

6 71.28 **(9s)** RELOCATED BUSINESS CREDIT. (a) *Definition.* In this subsection,
7 "claimant" means a person who files a claim under this subsection.

8 (b) *Filing claims.* Subject to the limitations provided under this subsection, for
9 taxable years beginning after December 31, 2010, for 2 consecutive taxable years
10 beginning with the taxable year in which the claimant's business locates to this state
11 from another state and begins operations in this state, a claimant may claim as a
12 credit against the taxes imposed under s. 71.23, up to the amount of the taxes, the
13 amount of the claimant's tax liability under this subchapter after applying all other
14 allowable credits, deductions, and exclusions.

15 (c) *Limitations.* 1. No person may claim a credit under this subsection if the
16 person has done business in this state during any of the 10 taxable years preceding
17 the taxable year in which the person would otherwise be eligible to claim a credit
18 under par. (b).

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

1 companies, and shareholders of tax-option corporations may claim the credit in
2 proportion to their ownership interests.

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

5 **SECTION 8.** 71.30 (3) (ex) of the statutes is created to read:

6 71.30 (3) (ex) Relocated business credit under s. 71.28 (9s).

7 **SECTION 9.** 71.34 (1k) (g) of the statutes is amended to read:

8 71.34 (1k) (g) An addition shall be made for credits computed by a tax-option
9 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy),
10 (3), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j),
11 (5k), (5r), (5rm), ~~and (8r),~~ and (9s) and passed through to shareholders.

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

13 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
14 computed under s. 71.47 (1dd) to (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn),
15 (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), ~~and (8r),~~ and (9s) and not passed
16 through by a partnership, limited liability company, or tax-option corporation that
17 has added that amount to the partnership's, limited liability company's, or
18 tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g) and the amount
19 of credit computed under s. 71.47 (1), (3), (3t), (4), (4m), and (5).

20 **SECTION 11.** 71.47 (9s) of the statutes is created to read:

21 71.47 (9s) RELOCATED BUSINESS CREDIT. (a) *Definition.* In this subsection,
22 "claimant" means a person who files a claim under this subsection.

23 (b) *Filing claims.* Subject to the limitations provided under this subsection, for
24 taxable years beginning after December 31, 2010, for 2 consecutive taxable years
25 beginning with the taxable year in which the claimant's business locates to this state

1 from another state and begins operations in this state, a claimant may claim as a
2 credit against the taxes imposed under s. 71.43, up to the amount of the taxes, the
3 amount of the claimant's tax liability under this subchapter after applying all other
4 allowable credits, deductions, and exclusions.

5 (c) *Limitations.* 1. No person may claim a credit under this subsection if the
6 person has done business in this state during any of the 10 taxable years preceding
7 the taxable year in which the person would otherwise be eligible to claim a credit
8 under par. (b).

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

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

19 **SECTION 12.** 71.49 (1) (ex) of the statutes is created to read:

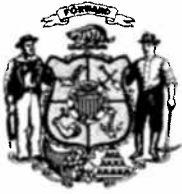
20 71.49 (1) (ex) Relocated business credit under s. 71.47 (9s).

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

22 77.92 (4) "Net business income," with respect to a partnership, means taxable
23 income as calculated under section 703 of the Internal Revenue Code; plus the items
24 of income and gain under section 702 of the Internal Revenue Code, including taxable
25 state and municipal bond interest and excluding nontaxable interest income or

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

13 (END)



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-0755/A
JK:jld:nn

2
RMR

January 2011 Special Session

2011 BILL

in 1-3-11

~~Today~~

4

Regen

1 AN ACT *to amend* 71.05 (6) (a) 15., 71.08 (1) (intro.), 71.21 (4), 71.26 (2) (a) 4.,
2 71.34 (1k) (g), 71.45 (2) (a) 10. and 77.92 (4); and *to create* 71.07 (9s), 71.10 (4)
3 (hm), 71.28 (9s), 71.30 (3) (ex), 71.47 (9s) and 71.49 (1) (ex) of the statutes;
4 **relating to:** an income and franchise tax credit for businesses that relocate to
5 this state.

Analysis by the Legislative Reference Bureau

This bill creates an income and franchise tax credit for a business for two consecutive taxable years beginning with the taxable year in which the business locates to this state from another state and begins operations in this state. The credit is equal to the amount of the taxpayer's income or franchise tax liability after applying all other credits, deductions, and exclusions. The taxpayer does not receive a refund of the credit amount, but, instead, may apply the credit amount to subsequent taxable years.

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:

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

BILL**SECTION 1**

1 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),
2 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r),
3 (3rm), (3rn), (3s), (3t), (3w), (5e), (5f), (5h), (5i), (5j), (5k), (5r), (5rm), ~~and (8r), and (9s)~~
4 and not passed through by a partnership, limited liability company, or tax-option
5 corporation that has added that amount to the partnership's, company's, or
6 tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g).

7 **SECTION 2.** 71.07 (9s) of the statutes is created to read:

8 71.07 (9s) RELOCATED BUSINESS CREDIT. (a) *Definition.* In this subsection,
9 “claimant” means a person who files a claim under this subsection.

10 (b) *Filing claims.* Subject to the limitations provided under this subsection, for
11 taxable years beginning after December 31, 2010, for 2 consecutive taxable years
12 beginning with the taxable year in which the claimant's business locates to this state
13 from another state and begins operations in this state, a claimant may claim as a
14 credit against the taxes imposed under ss. 71.02 and 71.08, up to the amount of the
15 taxes, the amount of the claimant's tax liability under this subchapter after applying
16 all other allowable credits, deductions, and exclusions.

17 (c) *Limitations.* 1. No person may claim a credit under this subsection if the
18 person has done business in this state during any of the 10 taxable years preceding
19 the taxable year in which the person would otherwise be eligible to claim a credit
20 under par. (b).

21 2. Partnerships, limited liability companies, and tax-option corporations may
22 not claim the credit under this subsection, but the eligibility for, and the amount of,
23 the credit are based on their payment of amounts under par. (b). A partnership,
24 limited liability company, or tax-option corporation shall compute the amount of
25 credit that each of its partners, members, or shareholders may claim and shall

BILL

1 provide that information to each of them. Partners, members of limited liability
2 companies, and shareholders of tax-option corporations may claim the credit in
3 proportion to their ownership interests.

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

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

7 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married
8 couple filing jointly, trust, or estate under s. 71.02, not considering the credits under
9 ss. 71.07 (1), (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2dy), (3m), (3n), (3p),
10 (3q), (3r), (3rm), (3rn), (3s), (3t), (3w), (5b), (5d), (5e), (5f), (5h), (5i), (5j), (6), (6e), (8r),
11 ~~and (9e)~~, ~~and (9s)~~, 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1dy), (2m), (3),
12 (3n), (3t), and (3w), 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1dy), (2m), (3),
13 (3n), (3t), and (3w), 71.57 to 71.61, and 71.613 and subch. VIII and payments to other
14 states under s. 71.07 (7), is less than the tax under this section, there is imposed on
15 that natural person, married couple filing jointly, trust or estate, instead of the tax
16 under s. 71.02, an alternative minimum tax computed as follows:

17 **SECTION 4.** 71.10 (4) (hm) of the statutes is created to read:

18 71.10 (4) (hm) Relocated business credit under s. 71.07 (9s).

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

20 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
21 (2dj), (2dL), (2dm), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s),
22 (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), ~~and (8r)~~, ~~and (9s)~~ and passed
23 through to partners shall be added to the partnership's income.

24 **SECTION 6.** 71.26 (2) (a) 4. of the statutes is amended to read:

BILL**SECTION 6**

1 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dd),
2 (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r),
3 (3rm), (3rn), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), ~~and (8r), and (9s)~~
4 and not passed through by a partnership, limited liability company, or tax-option
5 corporation that has added that amount to the partnership's, limited liability
6 company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g).

7 **SECTION 7.** 71.28 (9s) of the statutes is created to read:

8 71.28 (9s) RELOCATED BUSINESS CREDIT. (a) *Definition.* In this subsection,
9 “claimant” means a person who files a claim under this subsection.

10 (b) *Filing claims.* Subject to the limitations provided under this subsection, for
11 taxable years beginning after December 31, 2010, for 2 consecutive taxable years
12 beginning with the taxable year in which the claimant's business locates to this state
13 from another state and begins operations in this state, a claimant may claim as a
14 credit against the taxes imposed under s. 71.23, up to the amount of the taxes, the
15 amount of the claimant's tax liability under this subchapter after applying all other
16 allowable credits, deductions, and exclusions.

17 (c) *Limitations.* 1. No person may claim a credit under this subsection if the
18 person has done business in this state during any of the 10 taxable years preceding
19 the taxable year in which the person would otherwise be eligible to claim a credit
20 under par. (b).

21 2. Partnerships, limited liability companies, and tax-option corporations may
22 not claim the credit under this subsection, but the eligibility for, and the amount of,
23 the credit are based on their payment of amounts under par. (b). A partnership,
24 limited liability company, or tax-option corporation shall compute the amount of
25 credit that each of its partners, members, or shareholders may claim and shall

BILL

1 provide that information to each of them. Partners, members of limited liability
2 companies, and shareholders of tax-option corporations may claim the credit in
3 proportion to their ownership interests.

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

6 **SECTION 8.** 71.30 (3) (ex) of the statutes is created to read:

7 71.30 (3) (ex) Relocated business credit under s. 71.28 (9s).

8 **SECTION 9.** 71.34 (1k) (g) of the statutes is amended to read:

9 71.34 (1k) (g) An addition shall be made for credits computed by a tax-option
10 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy),
11 (3), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j),
12 (5k), (5r), (5rm), ~~and (8r), and (9s)~~ and passed through to shareholders.

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

14 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
15 computed under s. 71.47 (1dd) to (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn),
16 (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), ~~and (8r), and (9s)~~ and not passed
17 through by a partnership, limited liability company, or tax-option corporation that
18 has added that amount to the partnership's, limited liability company's, or
19 tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g) and the amount
20 of credit computed under s. 71.47 (1), (3), (3t), (4), (4m), and (5).

21 **SECTION 11.** 71.47 (9s) of the statutes is created to read:

22 71.47 (9s) RELOCATED BUSINESS CREDIT. (a) *Definition.* In this subsection,
23 "claimant" means a person who files a claim under this subsection.

24 (b) *Filing claims.* Subject to the limitations provided under this subsection, for
25 taxable years beginning after December 31, 2010, for 2 consecutive taxable years

BILL**SECTION 11**

1 beginning with the taxable year in which the claimant's business locates to this state
2 from another state and begins operations in this state, a claimant may claim as a
3 credit against the taxes imposed under s. 71.43, up to the amount of the taxes, the
4 amount of the claimant's tax liability under this subchapter after applying all other
5 allowable credits, deductions, and exclusions.

6 (c) *Limitations.* 1. No person may claim a credit under this subsection if the
7 person has done business in this state during any of the 10 taxable years preceding
8 the taxable year in which the person would otherwise be eligible to claim a credit
9 under par. (b).

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

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

20 **SECTION 12.** 71.49 (1) (ex) of the statutes is created to read:

21 71.49 (1) (ex) Relocated business credit under s. 71.47 (9s).

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

23 77.92 (4) "Net business income," with respect to a partnership, means taxable
24 income as calculated under section 703 of the Internal Revenue Code; plus the items
25 of income and gain under section 702 of the Internal Revenue Code, including taxable

BILL

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), ~~and~~ (8r),
 8 and (9s); 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.

14

(END)

Sec # Nonstatutory provisions
(const)

(#) REQUIRED GENERAL FUND BALANCE Section 20.003(4) of the

statutes does not apply to the action of the legislature in enacting this act.

Barman, Mike

From: Hanaman, Cathlene
Sent: Monday, January 03, 2011 2:19 PM
To: Christina Duerst; Lori Northrop; Mike Barman; Sarah Basford

Please jacket as companions (when they come through):

0832, 0357
0831, 0388
0761, 0834
0755, 0833
0753, 0835

→ senate

DOA will fetch.

→ Assembly

mike - wed. 4:28pm

Jeryn called - the
5 bills that I introduced
last night need to be
corrected copies. They
needed to add a
Senator to all of them
I guess. She said it
could wait til morning
(there was a little confusion -
she said she had done "their
part" but in the instructions it
seems that we are supposed
to do some of the process
before they do ???) - sorry to
unload it on you - Please
call Jeryn when you get in
6-2545 - Lori



State of Wisconsin
2011 - 2012 LEGISLATURE

January 2011 Special Session



LRB-0755/2

JK:jld:rs

ASSEMBLY BILL 3

Before
changes

January 4, 2011 - Introduced by COMMITTEE ON ASSEMBLY ORGANIZATION, by request of Governor Scott Walker and Representative Knilans. Referred to Committee on Rural Economic Development and Rural Affairs.

1 **AN ACT to amend** 71.05 (6) (a) 15., 71.08 (1) (intro.), 71.21 (4), 71.26 (2) (a) 4.,
2 71.34 (1k) (g), 71.45 (2) (a) 10. and 77.92 (4); and **to create** 71.07 (9s), 71.10 (4)
3 (hm), 71.28 (9s), 71.30 (3) (ex), 71.47 (9s) and 71.49 (1) (ex) of the statutes;
4 **relating to:** an income and franchise tax credit for businesses that relocate to
5 this state.

Analysis by the Legislative Reference Bureau

This bill creates an income and franchise tax credit for a business for two consecutive taxable years beginning with the taxable year in which the business locates to this state from another state and begins operations in this state. The credit is equal to the amount of the taxpayer's income or franchise tax liability after applying all other credits, deductions, and exclusions. The taxpayer does not receive a refund of the credit amount, but, instead, may apply the credit amount to subsequent taxable years.

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:

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

"Corrected Copy" Info.

All Bills

REVISION REPORT

INTRODUCTION, FIRST READING AND REFERENCE OF PROPOSALS

Under Assembly Rule 17d,
Tuesday, January 04, 2011 at 4:47 PM
is considered the official date and time of introduction for the proposals listed in this document.

ASSEMBLY BILL 1, JANUARY 2011 SPECIAL SESSION (LRB -0831)

Relating to: limiting noneconomic damages awarded in actions against long-term care providers; actions against manufacturers, distributors, sellers, and promoters of certain products; confidentiality of health care services reviews; use as evidence of information regarding health care providers; reporting of quality indicators identifying individual hospitals; homicide or injury by negligent handling of a dangerous weapon, explosives, or fire; criminal abuse of individuals at risk; criminal abuse and neglect of patients and residents; evidence of lay and expert witnesses; damages for frivolous claims; and punitive damage awards.

By Committee on Assembly Organization, by request of Governor Scott Walker, Representative J. Ott, and Senator Zipperer.
Referred to Committee on JUDICIARY AND ETHICS.

ASSEMBLY BILL 2, JANUARY 2011 SPECIAL SESSION (LRB -0832)

Relating to: creating a nonrefundable individual income tax credit for certain amounts relating to health savings accounts that may be deducted from, or are exempt from, federal income taxes.

By Committee on Assembly Organization, by request of Governor Scott Walker, Representative Kaufert, and Senator Darling.
Referred to Committee on HEALTH.

ASSEMBLY BILL 3, JANUARY 2011 SPECIAL SESSION (LRB -0755)

Relating to: an income and franchise tax credit for businesses that relocate to this state.

By Committee on Assembly Organization, by request of Governor Scott Walker, Representative Knilans, and Senator Wanggaard.

Referred to Committee on RURAL ECONOMIC DEVELOPMENT AND RURAL AFFAIRS.

ASSEMBLY BILL 4, JANUARY 2011 SPECIAL SESSION (LRB -0761)

Relating to: increasing the amount of the credits under the economic development tax credit program.

By Committee on Assembly Organization, by request of Governor Scott Walker, Representative Klenke, and Senator Lazich.

Referred to Committee on JOBS, ECONOMY AND SMALL BUSINESS.

ASSEMBLY BILL 5, JANUARY 2011 SPECIAL SESSION (LRB -0753)

Relating to: requiring a supermajority for passage of tax increase legislation.

By Committee on Assembly Organization, by request of Governor Scott Walker, Representative August, and Senator Vukmir.

Referred to Committee on WAYS AND MEANS.

*Rec. from
Kay
(ACC office)
01-06-2011*