



## 2011 SENATE BILL 396

January 20, 2012 – Introduced by Senators HARSDORF and VINEHOUT, cosponsored by Representatives TAUCHEN and STEINBRINK. Referred to Committee on Agriculture, Forestry, and Higher Education.

1     **AN ACT** *to amend* 71.05 (6) (a) 15., 71.21 (4), 71.26 (2) (a) 4., 71.34 (1k) (g), 71.45  
2           (2) (a) 10. and 77.92 (4); and *to create* 20.115 (2) (e), 71.07 (8d), 71.10 (4) (ed),  
3           71.28 (8d), 71.30 (3) (bd), 71.47 (8d), 71.49 (1) (bd) and 95.51 (9) of the statutes;  
4           **relating to:** financial assistance for the livestock premises registration  
5           program, a tax credit for livestock identification tags and tag-reading  
6           equipment, and making an appropriation.

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### *Analysis by the Legislative Reference Bureau*

#### ***Livestock premises registration***

Current law generally requires a person who keeps livestock at a location in this state to register the location with the Department of Agriculture, Trade and Consumer Protection (DATCP). The law authorizes DATCP to create exemptions from the registration requirement by rule. Current law also authorizes DATCP to contract with an agent to administer the livestock premises registration program.

Under this bill, if DATCP contracts with an agent to administer the livestock premises registration program, DATCP must annually provide a grant to the agent for administering the program. The amount of the grant is equal to the amount raised by the agent from private sources for administering the livestock premises registration program, up to the amount appropriated for the grant.



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1 (8r) and not passed through by a partnership, limited liability company, or  
2 tax-option corporation that has added that amount to the partnership's, company's,  
3 or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g).

4 **SECTION 4.** 71.07 (8d) of the statutes is created to read:

5 71.07 **(8d)** LIVESTOCK IDENTIFICATION TAG CREDIT. (a) *Definitions.* In this  
6 subsection, "claimant" means a person who files a claim under this subsection.

7 (b) *Filing claims.* Subject to the limitations provided in this subsection, for  
8 taxable years beginning after December 31, 2011, a claimant may claim as a credit  
9 against the taxes imposed under s. 71.02, up to the amount of the taxes, any of the  
10 following:

11 1. Twenty-five percent of the amount that the claimant paid in the taxable year  
12 for radio frequency identification tags, and matching panel tags, or premises tags for  
13 the claimant's livestock located in this state, if the tags are obtained through a  
14 program administered by the Wisconsin livestock identification consortium.

15 2. Twenty-five percent of the amount that the claimant paid in the taxable year  
16 for equipment that is used in this state to read radio frequency identification tags on  
17 livestock.

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

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

3 **SECTION 5.** 71.10 (4) (ed) of the statutes is created to read:

4 71.10 (4) (ed) Livestock identification tag credit under s. 71.07 (8d).

5 **SECTION 6.** 71.21 (4) of the statutes, as affected by 2011 Wisconsin Act 32, is  
6 amended to read:

7 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),  
8 (2dj), (2dL), (2dm), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s),  
9 (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5n), (5r), (5rm), (8d), and (8r) and passed  
10 through to partners shall be added to the partnership's income.

11 **SECTION 7.** 71.26 (2) (a) 4. of the statutes, as affected by 2011 Wisconsin Act 32,  
12 is amended to read:

13 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dd),  
14 (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r),  
15 (3rm), (3rn), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5n), (5r), (5rm), (8d), (8r),  
16 and (9s) and not passed through by a partnership, limited liability company, or  
17 tax-option corporation that has added that amount to the partnership's, limited  
18 liability company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k)  
19 (g).

20 **SECTION 8.** 71.28 (8d) of the statutes is created to read:

21 71.28 (8d) LIVESTOCK IDENTIFICATION TAG CREDIT. (a) *Definitions*. In this  
22 subsection, "claimant" means a person who files a claim under this subsection.

23 (b) *Filing claims*. Subject to the limitations provided in this subsection, for  
24 taxable years beginning after December 31, 2011, a claimant may claim as a credit

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1 against the taxes imposed under s. 71.23, up to the amount of the taxes, any of the  
2 following:

3 1. Twenty-five percent of the amount that the claimant paid in the taxable year  
4 for radio frequency identification tags, and matching panel tags, or premises tags for  
5 the claimant's livestock located in this state, if the tags are obtained through a  
6 program administered by the Wisconsin livestock identification consortium.

7 2. Twenty-five percent of the amount that the claimant paid in the taxable year  
8 for equipment that is used in this state to read radio frequency identification tags on  
9 livestock.

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

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

20 **SECTION 9.** 71.30 (3) (bd) of the statutes is created to read:

21 71.30 **(3)** (bd) Livestock identification tag credit under s. 71.28 (8d).

22 **SECTION 10.** 71.34 (1k) (g) of the statutes, as affected by 2011 Wisconsin Act 32,  
23 is amended to read:

24 71.34 **(1k)** (g) An addition shall be made for credits computed by a tax-option  
25 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy),

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1 (3), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j),  
2 (5k), (5n), (5r), (5rm), (8d), and (8r) and passed through to shareholders.

3 **SECTION 11.** 71.45 (2) (a) 10. of the statutes, as affected by 2011 Wisconsin Act  
4 32, is amended to read:

5 71.45 **(2)** (a) 10. By adding to federal taxable income the amount of credit  
6 computed under s. 71.47 (1dd) to (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn),  
7 (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5n), (5r), (5rm), (8d), (8r), and (9s) and not  
8 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) and  
11 the amount of credit computed under s. 71.47 (1), (3), (3t), (4), (4m), and (5).

12 **SECTION 12.** 71.47 (8d) of the statutes is created to read:

13 71.47 **(8d)** LIVESTOCK IDENTIFICATION TAG CREDIT. (a) *Definitions.* In this  
14 subsection, "claimant" means a person who files a claim under this subsection.

15 (b) *Filing claims.* Subject to the limitations provided in this subsection, for  
16 taxable years beginning after December 31, 2011, a claimant may claim as a credit  
17 against the taxes imposed under s. 71.43, up to the amount of the taxes, any of the  
18 following:

19 1. Twenty-five percent of the amount that the claimant paid in the taxable year  
20 for radio frequency identification tags, and matching panel tags, or premises tags for  
21 the claimant's livestock located in this state, if the tags are obtained through a  
22 program administered by the Wisconsin livestock identification consortium.

23 2. Twenty-five percent of the amount that the claimant paid in the taxable year  
24 for equipment that is used in this state to read radio frequency identification tags on  
25 livestock.

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

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

11           **SECTION 13.** 71.49 (1) (bd) of the statutes is created to read:

12           71.49 (1) (bd) Livestock identification tag credit under s. 71.47 (8d).

13           **SECTION 14.** 77.92 (4) of the statutes, as affected by 2011 Wisconsin Act 32, is  
14 amended to read:

15           77.92 (4) “Net business income,” with respect to a partnership, means taxable  
16 income as calculated under section 703 of the Internal Revenue Code; plus the items  
17 of income and gain under section 702 of the Internal Revenue Code, including taxable  
18 state and municipal bond interest and excluding nontaxable interest income or  
19 dividend income from federal government obligations; minus the items of loss and  
20 deduction under section 702 of the Internal Revenue Code, except items that are not  
21 deductible under s. 71.21; plus guaranteed payments to partners under section 707  
22 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),  
23 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r),  
24 (3rm), (3rn), (3s), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5n), (5r), (5rm), (8d),  
25 and (8r); and plus or minus, as appropriate, transitional adjustments, depreciation

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1 differences, and basis differences under s. 71.05 (13), (15), (16), (17), and (19); but  
2 excluding income, gain, loss, and deductions from farming. “Net business income,”  
3 with respect to a natural person, estate, or trust, means profit from a trade or  
4 business for federal income tax purposes and includes net income derived as an  
5 employee as defined in section 3121 (d) (3) of the Internal Revenue Code.

6 **SECTION 15.** 95.51 (9) of the statutes is created to read:

7 95.51 (9) MATCHING GRANT. If the department contracts with an agent under  
8 sub. (8), the department shall provide funding in each fiscal year to the agent from  
9 the appropriation under s. 20.115 (2) (e) for administering the registration program  
10 under this section. The department shall provide funding in an amount equal to the  
11 amount of funds raised by the agent from private sources to administer the program  
12 for that fiscal year, up to the amount appropriated under s. 20.115 (2) (e).

13 (END)