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

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

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.
SENATE BILL 396

Livestock identification tag tax credit

The bill creates an income and franchise tax credit for 25 percent of the amount that a taxpayer paid in the taxable year for radio frequency identification tags for the taxpayer’s livestock located in this state and 25 percent of the amount that a taxpayer paid in the taxable year for equipment used in this state to read radio frequency identification tags on livestock. If the amount of the credit exceeds a taxpayer’s tax liability, the taxpayer does not receive a refund, but, instead, may carry forward the amount of any unused credit 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:

SECTION 1. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert the following amounts for the purposes indicated:

<table>
<thead>
<tr>
<th>2011−12</th>
<th>2012−13</th>
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<tbody>
<tr>
<td>20.115</td>
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<td>(2) A</td>
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<tr>
<td>NIMAL</td>
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<td>H EALTH</td>
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<td>S ERVICES</td>
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<tr>
<td>(e) Livestock premises registration GPR A</td>
<td>$250,000</td>
</tr>
</tbody>
</table>

SECTION 2. 20.115 (2) (e) of the statutes is created to read:

20.115 (2) (e) Livestock premises registration. The amounts in the schedule for financial assistance under s. 95.51 (9) for administration of the livestock premises registration program.

SECTION 3. 71.05 (6) (a) 15. of the statutes, as affected by 2011 Wisconsin Act 32, is amended to read:

71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s), (3t), (3w), (5e), (5f), (5h), (5i), (5j), (5k), (5n), (5r), (5rm), (8d), and
SECTION 3

SENATE BILL 396

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

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

71.07 (8d) LIVESTOCK IDENTIFICATION TAG CREDIT. (a) Definitions. In this subsection, “claimant” means a person who files a claim under this subsection.

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

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

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

(c) Limitations. Partnerships, limited liability companies, and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit are based on their payment of amounts under par. (b). A partnership, limited liability company, or tax-option corporation shall compute the amount of credit that each of its partners, members, or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interests.
(d) Administration. Section 71.28 (4) (e) to (h), as it applies to the credit under s. 71.28 (4), applies to the credit under this subsection.

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

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

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

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

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

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

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

71.28 (8d) LIVESTOCK IDENTIFICATION TAG CREDIT. (a) Definitions. In this subsection, “claimant” means a person who files a claim under this subsection.

(b) Filing claims. Subject to the limitations provided in this subsection, for taxable years beginning after December 31, 2011, a claimant may claim as a credit
against the taxes imposed under s. 71.23, up to the amount of the taxes, any of the following:

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

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

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

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

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

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

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

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

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

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

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

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

71.47 (8d) LIVESTOCK IDENTIFICATION TAG CREDIT. (a) Definitions. In this
subsection, “claimant” means a person who files a claim under this subsection.

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

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

2. Twenty−five percent of the amount that the claimant paid in the taxable year
for equipment that is used in this state to read radio frequency identification tags on
livestock.
(c) Limitations. Partnerships, limited liability companies, and tax–option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit are based on their payment of amounts under par. (b). A partnership, limited liability company, or tax–option corporation shall compute the amount of credit that each of its partners, members, or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability companies, and shareholders of tax–option corporations may claim the credit in proportion to their ownership interests.

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

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

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

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

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

differences, and basis differences under s. 71.05 (13), (15), (16), (17), and (19); but

excluding income, gain, loss, and deductions from farming. “Net business income,”

with respect to a natural person, estate, or trust, means profit from a trade or

business for federal income tax purposes and includes net income derived as an

employee as defined in section 3121 (d) (3) of the Internal Revenue Code.

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

95.51 (9) MATCHING GRANT. If the department contracts with an agent under

sub. (8), the department shall provide funding in each fiscal year to the agent from

the appropriation under s. 20.115 (2) (e) for administering the registration program

under this section. The department shall provide funding in an amount equal to the

amount of funds raised by the agent from private sources to administer the program

for that fiscal year, up to the amount appropriated under s. 20.115 (2) (e).

(END)