SENATE BILL 15

October 11, 2011 – Introduced by COMMITTEE ON SENATE ORGANIZATION, by request of Governor Scott Walker, Senator Lassa, and Representative Barca. Referred to Committee on Public Health, Human Services, and Revenue.

AN ACT to amend 71.07 (5b) (d) 1., 71.07 (5d) (d) 2., 71.10 (4) (gwb), 71.10 (4) (gx), 71.10 (4) (i), 71.28 (5b) (d) 1., 71.30 (3) (eop), 71.30 (3) (f), 71.47 (5b) (d) 1., 71.49 (1) (eop) and 71.49 (1) (f); and to create 20.835 (2) (ba), 71.07 (5b) (d) 1m., 71.07 (5b) (d) 4., 71.07 (5d) (d) 2m., 71.07 (5d) (d) 5., 71.28 (5b) (d) 1m., 71.28 (5b) (d) 4., 71.47 (5b) (d) 1m. and 71.47 (5b) (d) 4. of the statutes; relating to: allowing refunds for the early stage seed and angel investment tax credits and making an appropriation.

Analysis by the Legislative Reference Bureau
Under current law, a taxpayer may claim early stage seed and angel investment income and franchise tax credits for the taxpayer’s investments in qualified new businesses. If the credit amounts exceed the taxpayer’s tax liability, the taxpayer does not receive a refund, but, instead, may apply the amount of the unused credits to subsequent taxable years. Under this bill, if the credit amounts exceed the taxpayer’s tax liability, the taxpayer receives a refund.
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. 20.835 (2) (ba) of the statutes is created to read:

20.835 (2) (ba) Early stage seed and angel investment credits. A sum sufficient to make the payments under ss. 71.07 (5b) (d) 4. and (5d) (d) 5., 71.28 (5b) (d) 4., and 71.47 (5b) (d) 4.

SECTION 2. 71.07 (5b) (d) 1. of the statutes is amended to read:

71.07 (5b) (d) 1. Section For taxable years beginning before January 1, 2011, s. 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 3. 71.07 (5b) (d) 1m. of the statutes is created to read:

71.07 (5b) (d) 1m. For taxable years beginning after December 31, 2010, s. 71.28 (4) (e), (g), and (h), as it applies to the credit under s. 71.28 (4), applies to the credit under this subsection.

SECTION 4. 71.07 (5b) (d) 4. of the statutes is created to read:

71.07 (5b) (d) 4. For taxable years beginning after December 31, 2010, if the allowable amount of the claim under par. (b) exceeds the tax otherwise due under s. 71.02 or 71.08, the amount of the claim not used to offset the tax due shall be certified by the department of revenue to the department of administration for payment by check, share draft, or other draft drawn from the appropriation account under s. 20.835 (2) (ba).

SECTION 5. 71.07 (5d) (d) 2. of the statutes is amended to read:
71.07 (5d) (d) 2. Section For taxable years beginning before January 1, 2011, s. 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 6. 71.07 (5d) (d) 2m. of the statutes is created to read:

71.07 (5d) (d) 2m. For taxable years beginning after December 31, 2010, s. 71.28 (4) (e), (g), and (h), as it applies to the credit under s. 71.28 (4), applies to the credit under this subsection.

SECTION 7. 71.07 (5d) (d) 5. of the statutes is created to read:

71.07 (5d) (d) 5. For taxable years beginning after December 31, 2010, if the allowable amount of the claim under par. (b) exceeds the tax otherwise due under s. 71.02 or 71.08, the amount of the claim not used to offset the tax due shall be certified by the department of revenue to the department of administration for payment by check, share draft, or other draft drawn from the appropriation account under s. 20.835 (2) (ba).

SECTION 8. 71.10 (4) (gwb) of the statutes is amended to read:

71.10 (4) (gwb) Early stage seed investment credit under s. 71.07 (5b), except as provided under par. (i).

SECTION 9. 71.10 (4) (gx) of the statutes is amended to read:

71.10 (4) (gx) Angel investment credit under s. 71.07 (5d), except as provided under par. (i).

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

71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland preservation credit under ss. 71.57 to 71.61, farmland preservation credit, 2010 and beyond under s. 71.613, homestead credit under subch. VIII, farmland tax relief credit under s. 71.07 (3m), dairy manufacturing facility investment credit under s.
71.07 (3p), jobs tax credit under s. 71.07 (3q), meat processing facility investment credit under s. 71.07 (3r), woody biomass harvesting and processing credit under s. 71.07 (3rm), food processing plant and food warehouse investment credit under s. 71.07 (3rn), early stage seed investment credit under s. 71.07 (5b) (d) 4., angel investment credit under s. 71.07 (5d) (d) 5., film production services credit under s. 71.07 (5f), film production company investment credit under s. 71.07 (5h), veterans and surviving spouses property tax credit under s. 71.07 (6e), enterprise zone jobs credit under s. 71.07 (3w), beginning farmer and farm asset owner tax credit under s. 71.07 (8r), earned income tax credit under s. 71.07 (9e), estimated tax payments under s. 71.09, and taxes withheld under subch. X.

SECTION 11. 71.28 (5b) (d) 1. of the statutes is amended to read:

71.28 (5b) (d) 1. Subsection For taxable years beginning before January 1, 2011, sub. (4) (e) to (h), as it applies to the credit under sub. (4), applies to the credit under this subsection.

SECTION 12. 71.28 (5b) (d) 1m. of the statutes is created to read:

71.28 (5b) (d) 1m. For taxable years beginning after December 31, 2010, sub. (4) (e), (g), and (h), as it applies to the credit under sub. (4), applies to the credit under this subsection.

SECTION 13. 71.28 (5b) (d) 4. of the statutes is created to read:

71.28 (5b) (d) 4. For taxable years beginning after December 31, 2010, if the allowable amount of the claim under par. (b) exceeds the tax otherwise due under s. 71.23, the amount of the claim not used to offset the tax due shall be certified by the department of revenue to the department of administration for payment by check, share draft, or other draft drawn from the appropriation account under s. 20.835 (2) (ba).
SECTION 14. 71.30 (3) (eop) of the statutes is amended to read:

71.30 (3) (eop) Early stage seed investment credit under s. 71.28 (5b), except as provided under par. (f).

SECTION 15. 71.30 (3) (f) of the statutes is amended to read:

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

SECTION 16. 71.47 (5b) (d) 1. of the statutes is amended to read:

71.47 (5b) (d) 1. Section For taxable years beginning before January 1, 2011, s. 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 17. 71.47 (5b) (d) 1m. of the statutes is created to read:

71.47 (5b) (d) 1m. For taxable years beginning after December 31, 2010, s. 71.28 (4) (e), (g), and (h), as it applies to the credit under s. 71.28 (4), applies to the credit under this subsection.

SECTION 18. 71.47 (5b) (d) 4. of the statutes is created to read:

71.47 (5b) (d) 4. For taxable years beginning after December 31, 2010, if the allowable amount of the claim under par. (b) exceeds the tax otherwise due under s.
71.43, the amount of the claim not used to offset the tax due shall be certified by the
department of revenue to the department of administration for payment by check,
share draft, or other draft drawn from the appropriation account under s. 20.835 (2)
(ba).

SECTION 19. 71.49 (1) (eop) of the statutes is amended to read:
71.49 (1) (eop) Early stage seed investment credit under s. 71.47 (5b), except
as provided under par. (f).

SECTION 20. 71.49 (1) (f) of the statutes is amended to read:
71.49 (1) (f) The total of farmland preservation credit under subch. IX,
farmland tax relief credit under s. 71.47 (2m), dairy manufacturing facility
investment credit under s. 71.47 (3p), jobs credit under s. 71.47 (3q), meat processing
facility investment credit under s. 71.47 (3r), woody biomass harvesting and
processing credit under s. 71.47 (3rm), food processing plant and food warehouse
investment credit under s. 71.47 (3rn), enterprise zone jobs credit under s. 71.47
(3w), early stage seed investment credit under s. 71.47 (5b) (d) 4., film production
services credit under s. 71.47 (5f), film production company investment credit under
s. 71.47 (5h), beginning farmer and farm asset owner tax credit under s. 71.47 (8r),
and estimated tax payments under s. 71.48.

SECTION 21. Effective date.
(1) This act takes effect on the day after publication of the 2011–2013 biennial
budget act.