

2013 DRAFTING REQUEST

Bill

Received: 1/2/2013 Received By: jkreye  
 Wanted: As time permits Same as LRB:  
 For: Julie Lassa (608) 266-3123 By/Representing: danielle  
 May Contact: Drafter: jkreye  
 Subject: Tax, Business - credits Addl. Drafters:  
 Extra Copies:

Submit via email: YES  
 Requester's email: Sen.Lassa@legis.wisconsin.gov  
 Carbon copy (CC) to: joseph.kreye@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Tax credit for investments in a community development financial institution

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>
/?	jkreye 1/2/2013	scalvin 1/17/2013	jfrantze 1/17/2013	_____			
/1				_____	srose 1/17/2013	srose 2/7/2013	State

FE Sent For:

at  
intro

<END>

2013 DRAFTING REQUEST

Bill

Received: 1/2/2013 Received By: jkreye  
 Wanted: As time permits Same as LRB:  
 For: Julie Lassa (608) 266-3123 By/Representing: danielle  
 May Contact: Drafter: jkreye  
 Subject: Tax, Business - credits Addl. Drafters:  
 Extra Copies:

Submit via email: YES  
 Requester's email: Sen.Lassa@legis.wisconsin.gov  
 Carbon copy (CC) to: joseph.kreye@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Tax credit for investments in a community development financial institution

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>
/?	jkreye 1/2/2013	scalvin 1/17/2013	jfrantze 1/17/2013	_____			
/1				_____	srose 1/17/2013		State

FE Sent For:

<END>

2013 DRAFTING REQUEST

Bill

Received: 1/2/2013 Received By: jkreye  
 Wanted: As time permits Same as LRB:  
 For: Julie Lassa (608) 266-3123 By/Representing: danielle  
 May Contact: Drafter: jkreye  
 Subject: Tax, Business - credits Addl. Drafters:  
 Extra Copies:

Submit via email: YES  
 Requester's email: Sen.Lassa@legis.wisconsin.gov  
 Carbon copy (CC) to: joseph.kreye@legis.wisconsin.gov

Pre Topic:

No specific pre topic given


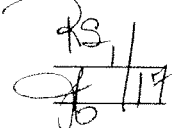
Topic:

Tax credit for investments in a community development financial institution

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>
1/2	jkreye	1/16/2013 1/16/2013	 1/19	 1/19			

FE Sent For:

<END>

**Kreye, Joseph**

---

**From:** Williams, Danielle  
**Sent:** Wednesday, December 26, 2012 2:25 PM  
**To:** Kreye, Joseph  
**Subject:** Draft Request

Hi Joe,

Would you please draft 2011 LRB-0947/2 as amended when passed the Assembly and Senate Economic Development Committee for Senator Lassa?

Thank you for your assistance. I hope you are enjoying the holidays!

Best,

**Danielle Williams**  
Office of Senator Julie Lassa  
P.O. Box 7882  
Madison, WI 53707-7882  
(608) 266-3123  
[danielle.williams@legis.wisconsin.gov](mailto:danielle.williams@legis.wisconsin.gov)



State of Wisconsin  
2011 - 2012 LEGISLATURE



LRB-0947/2  
JK&FFK:js/cs

Sac

0964/1

**2011 ASSEMBLY BILL 211**

in 1-2-13

D-N

August 2, 2011 – Introduced by Representatives MOLEPSKE JR, WILLIAMS, VRUWINK, BROOKS, T. LARSON, SPANBAUER, DOYLE, BERNARD SCHABER, BERCEAU, RINGHAND, FIELDS, BEWLEY, TURNER and POPE-ROBERTS, cosponsored by Senators LASSA and TAYLOR. Referred to Committee on Jobs, Economy and Small Business.

re you

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., 76.67 (2) and 77.92 (4); and *to create* 71.07 (5p), 71.10 (4) (cs), 71.28  
3 (5p), 71.30 (3) (dp), 71.47 (5p), 71.49 (1) (dp), 76.634 and 238.17 of the statutes;  
4 **relating to:** an income and franchise tax credit for investments in a community  
5 development financial institution.

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

Under this bill, the Wisconsin Economic Development Corporation (WEDC) may certify a person who makes a qualified investment in a registered community development financial institution (CDFI) to receive a credit against state income and franchise taxes, for taxable years beginning after December 31, 2011, and before January 1, 2014, and against license fees paid by insurers. The bill defines a CDFI as an entity that is organized under the laws of this state and has been certified by the Community Development Financial Institutions Fund established under federal law (fund) as meeting certain eligibility requirements. The bill permits WEDC to register a CDFI that applies to WEDC and complies with annual reporting requirements. The bill defines a "qualified investment" as a loan or deposit that pays no interest of at least \$10,000 that is made for a minimum of 60 months and over which the CDFI retains complete control for the duration of the investment period.

WEDC may revoke the registration of a CDFI that fails to comply with annual reporting requirements or that no longer meets the eligibility requirement for certification by the fund. WEDC may certify up to \$500,000 in tax credits in any calendar year.

2015

2012

\$1,000,000

**ASSEMBLY BILL 211**

A person certified to receive tax credits may claim 10 percent of the person's qualified investment, if the investment is at least \$10,000, but not more than \$150,000, or 12 percent of the person's qualified investment, if the investment is more than \$150,000, but not more than \$500,000. If the person withdraws the qualified investment from the CDFI before the end of the investment period and does not reinvest the qualified investment in another CDFI, the person must repay a portion of the credit amounts that the person received by adding the portion to the person's tax or fee liability in a subsequent year. However, the portion that the person must repay depends on when the person withdraws the investment during the investment period. The portion that the person must repay decreases the longer the person holds the investment during the investment period.

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:***

1 **SECTION 1.** 71.05 (6) (a) 15. of the statutes, as affected by 2011 Wisconsin Act  
2 32, 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),  
5 (3rm), (3rn), (3s), (3t), (3w), (5e), (5f), (5h), (5i), (5j), (5k), (5n), (5p), (5r), (5rm), and  
6 (8r) and not passed through by a partnership, limited liability company, or  
7 tax-option corporation that has added that amount to the partnership's, company's,  
8 or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g).

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

10 **71.07 (5p) COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION CREDIT.** (a)

11 *Definition.* In this subsection, "claimant" means a person who files a claim under this  
12 subsection.

13 (b) *Filing claims.* Subject to the limitations provided under this subsection and  
14 the requirements under s. 238.17, for taxable years beginning after December 31,

15 ~~2011~~ and before January 1, ~~2014~~, a claimant may claim as a credit against the tax

Insert 2-8

Insert 2-10

2012

2015

Insert 2-15

ASSEMBLY BILL 211

1 imposed under s. 71.02, up to the amount of the tax, for the taxable year in which the  
2 investment is made, an amount equal to 10 percent of the claimant's qualified  
3 investment in a community development financial institution, if the investment is  
4 at least \$10,000, but not more than \$150,000, or 12 percent of the claimant's qualified  
5 investment in a community development financial institution, if the investment is  
6 more than \$150,000, but not more than \$500,000.

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

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

17 SECTION 3. 71.10 (4) (cs) of the statutes is created to read:

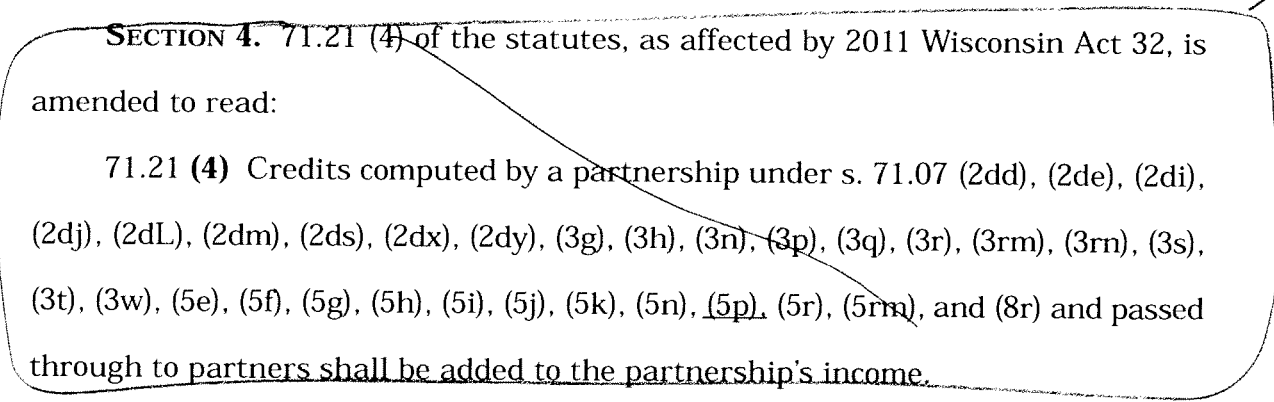
18 71.10 (4) (cs) Community development financial institution credit under s.  
19 71.07 (5p).

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

22 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),  
23 (2dj), (2dL), (2dm), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s),  
24 (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5n), (5p), (5r), (5rm), and (8r) and passed  
25 through to partners shall be added to the partnership's income.

Amend  
3-14 A  
& B

Amend 3-18



ASSEMBLY BILL 211

SECTION 5

SECTION 5. 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), (5p), (5r), (5rm), (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).

Insert 4-9

SECTION 6. 71.28 (5p) of the statutes is created to read:

Insert 4-11

71.28 (5p) COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION CREDIT. (a)

Definition. In this subsection, "claimant" means a person who files a claim under this subsection.

(b) Filing claims. Subject to the limitations provided under this subsection and the requirements under s. 238.17, for taxable years beginning after December 31, 2011, and before January 1, 2014, a claimant may claim as a credit against the tax imposed under s. 71.23, up to the amount of the tax, for the taxable year in which the investment is made, an amount equal to 10 percent of the claimant's qualified investment in a community development financial institution, if the investment is at least \$10,000, but not more than \$150,000, or 12 percent of the claimant's qualified investment in a community development financial institution, if the investment is more than \$150,000, but not more than \$500,000.

(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).

11

16

23



ASSEMBLY BILL 211

Insert 5-5 A+B

1 A partnership, limited liability company, or tax-option corporation shall compute  
2 the amount of credit that each of its partners, members, or shareholders may claim  
3 and shall provide that information to each of them. Partners, members of limited  
4 liability companies, and shareholders of tax-option corporations may claim the  
5 credit in proportion to their ownership interests.

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

8 SECTION 7. 71.30 (3) (dp) of the statutes is created to read:

9 71.30 (3) (dp) Community development financial institution credit under s.  
10 71.28 (5p).  
(dr)

Insert 5-9

11 SECTION 8. 71.34 (1k) (g) of the statutes, as affected by 2011 Wisconsin Act 32,  
12 is amended to read:

13 71.34 (1k) (g) An addition shall be made for credits computed by a tax-option  
14 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy),  
15 (3), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j),  
16 (5k), (5n), (5p), (5r), (5rm), and (8r) and passed through to shareholders.

17 SECTION 9. 71.45 (2) (a) 10. of the statutes, as affected by 2011 Wisconsin Act  
18 32, 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), (5n), (5p), (5r), (5rm), (8r), and (9s) and not  
22 passed through by a partnership, limited liability company, or tax-option  
23 corporation that has added that amount to the partnership's, limited liability  
24 company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g) and  
25 the amount of credit computed under s. 71.47 (1), (3), (3t), (4), (4m), and (5).

7 Insert 5-25

ASSEMBLY BILL 211

SECTION 10

1 SECTION 10. 71.47 (5p) of the statutes is created to read:

Insert 6-2

2 71.47 (5p) COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION CREDIT. (a)

3 Definition. In this subsection, "claimant" means a person who files a claim under this  
4 subsection.

5 2012 (b) Filing claims. Subject to the limitations provided under this subsection and  
6 the requirements under s. 238.17, for taxable years beginning after December 31,

7 2011, and before January 1, 2014, a claimant may claim as a credit against the tax

Insert 6-7

8 imposed under s. 71.43, up to the amount of the tax, for the taxable year in which the

2015

9 investment is made, an amount equal to 10 percent of the claimant's qualified  
10 investment in a community development financial institution, if the investment is  
11 at least \$10,000, but not more than \$150,000, or 12 percent of the claimant's qualified  
12 investment in a community development financial institution, if the investment is  
13 more than \$150,000, but not more than \$500,000.

14 (c) Limitations. Partnerships, limited liability companies, and tax-option  
15 corporations may not claim the credit under this subsection, but the eligibility for,  
16 and the amount of, the credit are based on their payment of amounts under par. (b).

Insert 6-21 A&B

17 A partnership, limited liability company, or tax-option corporation shall compute  
18 the amount of credit that each of its partners, members, or shareholders may claim  
19 and shall provide that information to each of them. Partners, members of limited  
20 liability companies, and shareholders of tax-option corporations may claim the  
21 credit in proportion to their ownership interests.

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

24 SECTION 11. 71.49 (1) (dp) of the statutes is created to read:

(dr)

ASSEMBLY BILL 211

-7-

Insert 7-1

1

71.49 (1) (dp) Community development financial institution credit under s.

2

71.47 (5p).

3

SECTION 12. 76.634 of the statutes is created to read:

Insert 7-4

4

76.634 Community development financial institution credit. (1) FILING

5

CLAIMS. Subject to the limitations provided under this subsection and the

6

requirements under s. 238.17, for taxable years beginning after December 31, 2011,

2012

7

and before January 1, 2014, an insurer may claim as a credit against the fees due

Insert 7-7

2015

8

under s. 76.60, 76.63, 76.65, 76.66, or 76.67 for the taxable year in which the

9

investment is made, an amount equal to 10 percent of the insurer's qualified

10

investment in a community development financial institution, if the investment is

11

at least \$10,000, but not more than \$150,000, or 12 percent of the insurer's qualified

12

investment in a community development financial institution, if the investment is

13

more than \$150,000, but not more than \$500,000.

14

(2) CARRY-FORWARD. If the credit under sub. (1) is not entirely offset against the

15

fees under s. 76.60, 76.63, 76.65, 76.66, or 76.67 otherwise due, the unused balance

16

may be carried forward and credited against those fees for the following 15 years to

17

the extent that it is not offset by those fees otherwise due in all the years between

18

the year in which the expense was made and the year in which the carry-forward

19

credit is claimed.

20

(3) LIMITATIONS. (a) No credit may be allowed under this section unless the insurer

21

includes with the insurer's annual return under s. 76.64 a copy of the insurer's

22

certification for tax benefits under s. 238.17 (5) (b).

23

SECTION 13. 76.67 (2) of the statutes is amended to read:

24

76.67 (2) If any domestic insurer is licensed to transact insurance business in

25

another state, this state may not require similar insurers domiciled in that other

Insert 7-22 A & B

**ASSEMBLY BILL 211****SECTION 13**

1 state to pay taxes greater in the aggregate than the aggregate amount of taxes that  
2 a domestic insurer is required to pay to that other state for the same year less the  
3 credits under ss. 76.634, 76.635, 76.636, 76.637, 76.638, and 76.655, except that the  
4 amount imposed shall not be less than the total of the amounts due under ss. 76.65  
5 (2) and 601.93 and, if the insurer is subject to s. 76.60, 0.375% of its gross premiums,  
6 as calculated under s. 76.62, less offsets allowed under s. 646.51 (7) or under ss.  
7 76.634, 76.635, 76.636, 76.637, 76.638, and 76.655 against that total, and except that  
8 the amount imposed shall not be less than the amount due under s. 601.93.

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

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

ASSEMBLY BILL 211

*Insert 9-2*

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. 238.17 of the statutes is created to read:

**238.17 Certification of investments in community development financial institutions. (1) DEFINITIONS.** In this section:

(a) "Community development financial institution" means an entity that satisfies all of the following:

1. The entity is certified by the fund under 12 CFR 1805.201 as meeting the eligibility requirements for a community development financial institution under 12 CFR 1805.200 and 1805.201 (b).

2. The entity is organized under the laws of this state.

3. The entity uses qualified investments for which a person may be certified for tax credits under sub. (2) (a) for projects that are based in this state.

(b) "Fund" means the Community Development Financial Institutions Fund established under 12 USC 4703 (a).

(c) 1. Subject to subd. 2., "qualified investment" means a deposit or loan that pays no interest to the person who made the deposit or loan, if the deposit or loan has a value of at least \$10,000 and is made for a period of at least 60 months.

2. A community development financial institution that receives an investment described under subd. 1. shall have complete control over the entire investment amount, including any interest earned on the investment, for the duration of the investment period, but the investment may be subject to any additional terms and conditions of the investment agreement between the community development financial institution and the investor which are not inconsistent with the requirements of this section.

ASSEMBLY BILL 211

SECTION 15

*development*

1 (2) CERTIFICATION; REGISTRATION AND REPORTING REQUIRED. (a) Subject to the  
2 limits under sub. (4), the corporation may certify a person under this section to claim  
3 tax credits under s. 71.07 (5p), 71.28 (5p), 71.47 (5p), or 76.634 if the person applies  
4 to the corporation on a form prepared by the corporation and submits evidence  
5 satisfactory to the corporation that the person has made a qualified investment in  
6 a community development financial institution that is registered under par. (b).

7 (b) 1. The corporation may register a community development financial  
8 institution if the community corporation financial institution applies to the  
9 corporation on a form prepared by the corporation. The corporation may revoke the  
10 registration of a community development financial institution if the entity no longer  
11 meets the eligibility requirements for certification as a community development  
12 financial institution by the fund or fails to comply with the requirements of this  
13 paragraph.

14 2. A community development financial institution registered under this section  
15 shall annually, within 90 days after the last day of the preceding calendar year,  
16 submit a report containing financial statements of the community development  
17 financial institution, prepared according to generally accepted accounting principles  
18 and including all of the following information for the preceding calendar year, to the  
19 corporation:

20 a. The material events certification form required by the U.S. *Federal* department of  
21 the treasury.

22 b. Certification, in the form and manner prescribed by the corporation, that the  
23 community development financial institution satisfies the criteria under sub. (1) (a)  
24 1. to 3.

25 c. Any other information the corporation considers relevant.

## ASSEMBLY BILL 211

1           (3) ELIGIBILITY. (a) Except as provided in par. (b), a person certified under sub.  
2           (2) (a) is eligible to claim tax credits under s. 71.07 (5p), 71.28 (5p), 71.47 (5p), or  
3           76.634.

4           (b) 1. A person certified under sub. (2) (a) who withdraws a qualified investment  
5           from a community development financial institution prior to the date of withdrawal  
6           specified in the written notice provided to the person under sub. (5) (b) and who does  
7           not immediately reinvest the proceeds of the qualified investment as a qualified  
8           investment in another community development financial institution shall add to the  
9           person's liability for taxes imposed under s. 71.02, 71.23, or 71.43, or fees imposed  
10          under s. 76.60, 76.63, 76.65, 76.66, or 76.67, one of the following percentages of the  
11          amount of the credits received under s. 71.07 (5p), 71.28 (5p), 71.47 (5p), or 76.634:

12           a. If the withdrawal occurs during the first year after the date on which the  
13          person made the qualified investment, 100 percent.

14           b. If the withdrawal occurs during the 2nd year after the date on which the  
15          person made the qualified investment, 75 percent.

16           c. If the withdrawal occurs during the 3rd year after the date on which the  
17          person made the qualified investment, 50 percent.

18           d. If the withdrawal occurs during the 4th year after the date on which the  
19          person made the qualified investment, 25 percent.

20           e. If the withdrawal occurs during the 5th year after the date on which the  
21          person made the qualified investment, 10 percent.

22          2. If the registration of a community development financial institution in which  
23          a person certified under sub. (2) (a) has made a qualified investment is revoked by  
24          the corporation, and not reinstated by the corporation within 120 days following the  
25          revocation, or if the entity fails to meet the eligibility requirements for more than 120

-12  
s. 71.07(5p)(c) 3., 71.28(5p)(c) 3.,  
71.47(5p)(c) 3., or 76.634(4)

1 consecutive days for certification as a community development financial institution  
2 by the fund, the person certified under sub. (2) (a) may do any of the following:

- 3 ~~(a)~~ Subject to subd. 1, withdraw the qualified investment.
- 4 ~~(b)~~ Immediately reinvest the proceeds of the qualified investment as a qualified  
5 investment in another community development financial institution for the duration  
6 of the investment period.

7 **(4) LIMITS.** No more than \$500,000 in tax benefits may be claimed under this  
8 section in any calendar year.

9 **(5) DUTIES OF THE CORPORATION.** The corporation shall do all of the following:

10 (a) Notify the department of revenue of every certification issued under sub.  
11 (2) (a) and include the dates on which any such certification is granted and the date  
12 on which the applicant may withdraw a qualified investment made in a community  
13 development financial institution, which date shall be no earlier than the first day  
14 of the 61st month after the qualified investment was made.

15 (b) Provide to each applicant for certification under sub. (2) (a) a dated written  
16 notice indicating the corporation's decision to grant or deny certification. If  
17 certification is granted, the notice shall include the date on which the applicant may  
18 withdraw the qualified investment, which date shall be no earlier than the first day  
19 of the 61st month after the qualified investment was made.

20 (c) Notify the department of revenue of each community development financial  
21 institution registered under sub. (2) (b).

22 (d) Adopt rules to administer this section.

23 (END)

Establish policies

Insert 12-21



**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-0964/?dn

JK:?)...

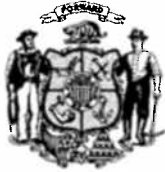
jac

- date -

Senator Lassa:

This draft is based on 2011 Assembly Bill 211, as amended by Assembly Amendments 1, 2, 3, and 4. ✓

Joseph T. Kreye  
Senior Legislative Attorney  
Phone: (608) 266-2263  
E-mail: joseph.kreye@legis.wisconsin.gov



State of Wisconsin  
2011 - 2012 LEGISLATURE



LRBa1473/1  
JK:cjs&kjf:jf

Insert

ASSEMBLY AMENDMENT 3,  
TO 2011 ASSEMBLY BILL 211

September 6, 2011 - Offered by Representative KAPENGA.

Insert  
3-14A

1 At the locations indicated, amend the bill as follows:

2 1. Page 3, line 7: after "Limitations." insert "1."

3 2. Page 3, line 14: after that line insert:

4 02. A person who makes an investment in a community development financial  
5 institution in a taxable year, withdraws the investment in that taxable year, and  
6 immediately reinvests the proceeds into another community development financial  
7 institution may claim only one credit under this subsection for that taxable year,  
8 based on the lesser of all such investments in that taxable year. Investments in a  
9 community development financial institution made before the effective date of this  
10 subdivision .... [LRB inserts date], may not be withdrawn prior to the end of their  
11 contractual term and reinvested in a community development financial institution  
12 in order to claim a credit under this subsection. De

13 3. Page 4, line 23: after "Limitations." insert "1."

Insert 5-5A

1 4. Page 5, line 5: after that line insert:

2 2. A person who makes an investment in a community development financial  
3 institution in a taxable year, withdraws the investment in that taxable year, and  
4 immediately reinvests the proceeds into another community development financial  
5 institution may claim only one credit under this subsection for that taxable year,  
6 based on the lesser of all such investments in that taxable year. Investments in a  
7 community development financial institution made before the effective date of this  
8 subdivision .... [LRB inserts date], may not be withdrawn prior to the end of their  
9 contractual term and reinvested in a community development financial institution  
10 in order to claim a credit under this subsection.

11 5. Page 6, line 14: after "Limitations." insert "1.".

Insert 6-21A

12 6. Page 6, line 21: after that line insert:

13 2. A person who makes an investment in a community development financial  
14 institution in a taxable year, withdraws the investment in that taxable year, and  
15 immediately reinvests the proceeds into another community development financial  
16 institution may claim only one credit under this subsection for that taxable year,  
17 based on the lesser of all such investments in that taxable year. Investments in a  
18 community development financial institution made before the effective date of this  
19 subdivision .... [LRB inserts date], may not be withdrawn prior to the end of their  
20 contractual term and reinvested in a community development financial institution  
21 in order to claim a credit under this subsection.

22 7. Page 7, line 20: after "LIMITATIONS." insert "(a)".

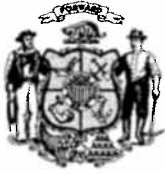
23 8. Page 7, line 22: after that line insert:

1  
2  
3  
4  
5  
6  
7  
8  
9  
10

(b) An insurer who makes an investment in a community development financial institution in a taxable year, withdraws the investment in that taxable year, and immediately reinvests the proceeds into another community development financial institution may claim only one credit under this section for that taxable year, based on the lesser of all such investments in that taxable year. Investments in a community development financial institution made before the effective date of this paragraph .... [LRB inserts date], may not be withdrawn prior to the end of their contractual term and reinvested in a community development financial institution in order to claim a credit under this section.

(END)

Insert 7-22 A



State of Wisconsin  
2011 - 2012 LEGISLATURE



LRBa1470/1  
JK:kjf:rs

Insert

ASSEMBLY AMENDMENT 2,  
TO 2011 ASSEMBLY BILL 211

September 2, 2011 - Offered by Representative MOLEPSKE JR.

Insert  
3-14B

1 At the locations indicated, amend the bill as follows:

2 1. Page 3, line 7: after "Limitations." insert "1."

3 2. Page 3, line 14: after that line insert:

4 <sup>2</sup> <sup>3</sup> A claimant who withdraws a qualified investment from a community  
5 development financial institution prior to the date of withdrawal specified in the  
6 written notice provided to the claimant under s. 238.17 (5) (b) and who does not  
7 immediately reinvest the proceeds of the qualified investment as a qualified  
8 investment in another community development financial institution shall add to the  
9 claimant's liability for taxes imposed under s. 71.02 one of the following percentages  
10 of the amount of the credits received under this subsection:

11 a. If the withdrawal occurs during the first year after the date on which the  
12 claimant made the qualified investment, 100 percent.



end of insert 3-14B

1 b. If the withdrawal occurs during the 2nd year after the date on which the  
2 claimant made the qualified investment, 75 percent.

3 c. If the withdrawal occurs during the 3rd year after the date on which the  
4 claimant made the qualified investment, 50 percent.

5 d. If the withdrawal occurs during the 4th year after the date on which the  
6 claimant made the qualified investment, 25 percent.

7 e. If the withdrawal occurs during the 5th year after the date on which the  
8 claimant made the qualified investment, 10 percent.

9 **3.** Page 4, line 23: after "*Limitations.*" insert "1."

10 **4.** Page 5, line 5: after that line insert:

11 <sup>2</sup> <sup>3</sup> A claimant who withdraws a qualified investment from a community  
12 development financial institution prior to the date of withdrawal specified in the  
13 written notice provided to the claimant under s. 238.17 (5) (b) and who does not  
14 immediately reinvest the proceeds of the qualified investment as a qualified  
15 investment in another community development financial institution shall add to the  
16 claimant's liability for taxes imposed under s. 71.23 one of the following percentages  
17 of the amount of the credits received under this subsection:

18 a. If the withdrawal occurs during the first year after the date on which the  
19 claimant made the qualified investment, 100 percent.

20 b. If the withdrawal occurs during the 2nd year after the date on which the  
21 claimant made the qualified investment, 75 percent.

22 c. If the withdrawal occurs during the 3rd year after the date on which the  
23 claimant made the qualified investment, 50 percent.

Insert 5-5B

end of  
insert  
5-5  
B

1 d. If the withdrawal occurs during the 4th year after the date on which the  
2 claimant made the qualified investment, 25 percent.

3 e. If the withdrawal occurs during the 5th year after the date on which the  
4 claimant made the qualified investment, 10 percent. *De*

5 **5.** Page 6, line 14: after "*Limitations.*" insert "1."

6 **6.** Page 6, line 21: after that line insert:

7 *10* *20* *30* A claimant who withdraws a qualified investment from a community  
8 development financial institution prior to the date of withdrawal specified in the  
9 written notice provided to the claimant under s. 238.17 (5) (b) <sup>✓</sup> and who does not  
10 immediately reinvest the proceeds of the qualified investment as a qualified  
11 investment in another community development financial institution shall add to the  
12 claimant's liability for taxes imposed under s. 71.43 <sup>✓</sup> one of the following percentages  
13 of the amount of the credits received under this subsection:

14 a. If the withdrawal occurs during the first year after the date on which the  
15 claimant made the qualified investment, 100 percent.

16 b. If the withdrawal occurs during the 2nd year after the date on which the  
17 claimant made the qualified investment, 75 percent.

18 c. If the withdrawal occurs during the 3rd year after the date on which the  
19 claimant made the qualified investment, 50 percent.

20 d. If the withdrawal occurs during the 4th year after the date on which the  
21 claimant made the qualified investment, 25 percent.

22 e. If the withdrawal occurs during the 5th year after the date on which the  
23 claimant made the qualified investment, 10 percent. *De*

24 **7.** Page 7, line 22: after that line insert.

Insert -  
6-21 B

*d*

*Insert  
7-22-B*

1        **(4)** REPAYMENT. An insurer who claims a credit under this section and who  
 2        withdraws a qualified investment from a community development financial  
 3        institution prior to the date of withdrawal specified in the written notice provided to  
 4        the insurer under s. 238.17 (5) (b) and does not immediately reinvest the proceeds  
 5        of the qualified investment as a qualified investment in another community  
 6        development financial institution shall add to the insurer's liability for fees imposed  
 7        under s. 76.60, 76.63, 76.65, 76.66, or 76.67 one of the following percentages of the  
 8        amount of the credits received under this subsection:

- 9        *e*(a) If the withdrawal occurs during the first year after the date on which the  
 10        insurer made the qualified investment, 100 percent.
- 11        *e*(b) If the withdrawal occurs during the 2nd year after the date on which the  
 12        insurer made the qualified investment, 75 percent.
- 13        *e*(c) If the withdrawal occurs during the 3rd year after the date on which the  
 14        insurer made the qualified investment, 50 percent.
- 15        *e*(d) If the withdrawal occurs during the 4th year after the date on which the  
 16        insurer made the qualified investment, 25 percent.
- 17        *e*(e) If the withdrawal occurs during the 5th year after the date on which the  
 18        insurer made the qualified investment, 10 percent. *e*

19        **8.** Page 11, line 4: delete the material beginning with "1." and ending with "2."  
 20        on line 22.

(END)





*Inserts*

**ASSEMBLY AMENDMENT 4,  
TO 2011 ASSEMBLY BILL 211**

September 13, 2011 – Offered by Representatives BARCA, ROYS, CLARK, BERCEAU, BERNARD SCHABER, BEWLEY, E. COGGS, D. CULLEN, DANOU, DOYLE, GRIGSBY, HEBL, HINTZ, HULSEY, JORGENSEN, KESSLER, MASON, MILROY, MOLEPSKE JR, PASCH, POCAN, POPE-ROBERTS, RADCLIFFE, RICHARDS, RINGHAND, SEIDEL, SINICKI, STASKUNAS, TAUCHEN, TOLES, TURNER, VRUWINK, YOUNG, ZAMARRIPA and ZEPNICK.

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 2, line 10: delete “COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION” and  
3 substitute “STEVE HILGENBERG COMMUNITY DEVELOPMENT”. *Insert 2-10*

4 **2.** Page 3, line 18: delete “Community development financial institution” and  
5 substitute “Steve Hilgenberg community development”. *Insert 3-18*

6 **3.** Page 4, line 11: delete “COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION” and  
7 substitute “STEVE HILGENBERG COMMUNITY DEVELOPMENT”. *Insert 4-11*

8 **4.** Page 5, line 9: delete “Community development financial institution” and  
9 substitute “Steve Hilgenberg community development”. *Insert 5-9*

10 **5.** Page 6, line 2: delete “COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION” and  
11 substitute “STEVE HILGENBERG COMMUNITY DEVELOPMENT”. *Insert 6-2*

1           **6.** Page 7, line 1: delete "Community development financial institution" and  
2 substitute "Steve Hilgenberg community development". *insert 7-1*

3           **7.** Page 7, line 4: delete "**Community development financial institution**"  
4 and substitute "**Steve Hilgenberg community development**". *insert 7-4*

5           **8.** Page 10, line 8: delete "corporation" and substitute "development".

6 (END)



State of Wisconsin  
2011 - 2012 LEGISLATURE



LRBa1469/1  
JK:kjf:rs

*Inserts*

ASSEMBLY AMENDMENT 1,  
TO 2011 ASSEMBLY BILL 211

September 2, 2011 – Offered by Representatives MOLEPSKE JR and WILLIAMS.

1 At the locations indicated, amend the bill as follows:

*Insert 2-15*

2 **1.** Page 2, line 15: after “2014,” insert “except as provided under s. 238.17 (5)  
3 (cm).”

*Insert 4-16*

4 **2.** Page 4, line 16: after “2014,” insert “except as provided under s. 238.17 (5)  
5 (cm).”

*Insert 6-7*

6 **3.** Page 6, line 7: after “2014,” insert “except as provided under s. 238.17 (5)  
7 (cm).”

8 **4.** Page 7, line 7: after “2014,” insert “except as provided under s. 238.17 (5)  
9 (cm).”

*Insert 7-7*

10 **5.** Page 12, line 7: delete “\$500,000” and substitute “\$1,000,000”.

11 **6.** Page 12, line 21: after that line insert:

*Insert 12-21*

1 (cm) Determine whether to certify persons to claim tax credits under ss. 71.07 ✓  
2 (5p), 71.28 (5p), 71.47 (5p), and 76.634 for taxable years beginning after December  
3 31, ~~2013~~ <sup>2014</sup> and to notify the department of revenue of that determination. ✓

4 (END)

2013-2014 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-0964/?ins  
JK:.....

Insert 2 - 8 ✓

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

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

NOTE: NOTE: Subd. 15. is shown as affected by 2011 Wis. Acts 212 , 232, and 237 and as merged by the legislative reference bureau under s. 13.92 (2) (i).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, 95, 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; 2011 a. 3, 5, 10, 32, 212, 232, 237; 2011 a. 260 ss. 80, 81; s. 13.92 (1) (bm) 2., (2) (i).

9           SECTION 2. 71.05 (6) (b) 47. b. of the statutes is amended to read:

10           71.05 (6) (b) 47. b. With respect to partners and members of limited liability  
11           companies, for taxable years beginning after December 31, 2010, for 2 consecutive  
12           taxable years beginning with the taxable year in which the partnership's or limited  
13           liability company's business locates to this state from another state or another  
14           country and begins doing business in this state, as defined in s. 71.22 (1r), and subject  
15           to the limitations provided under subd. 47. d. and e., the partner's or member's  
16           distributive share of taxable income as calculated under section 703 of the Internal  
17           Revenue Code; plus the items of income and gain under section 702 of the Internal  
18           Revenue Code, including taxable state and municipal bond interest and excluding  
19           nontaxable interest income or dividend income from federal government obligations;  
20           minus the items of loss and deduction under section 702 of the Internal Revenue  
21           Code, except items that are not deductible under s. 71.21; plus guaranteed payments  
22           to partners under section 707 (c) of the Internal Revenue Code; plus the credits

1 claimed under s. 71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy),  
 2 (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s), (3t), (3w), (5e), (5f), (5g), (5h), (5i),  
 3 (5j), (5k), (5p), (5r), (5rm), and (8r); and plus or minus, as appropriate, transitional  
 4 adjustments, depreciation differences, and basis differences under s. 71.05 (13), (15),  
 5 (16), (17), and (19), multiplied by the apportionment fraction determined in s. 71.04  
 6 (4) and subject to s. 71.04 (7) or by separate accounting. No amounts subtracted  
 7 under this subd. 47. b. may be included in the modification under par. (b) 9. or 9m.

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; 2011 a. 3, 5, 10, 32, 212, 232, 237; 2011 a. 260 ss. 80, 81; s. 13.92 (1) (bm) 2., (2) (i).

**Insert 4 - 9**

8 **SECTION 3.** 71.21 (4) (a) of the statutes is amended to read:

9 71.21 (4) (a) The amount of the credits computed by a partnership under s.  
 10 71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dm), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p),  
 11 (3q), (3r), (3rm), (3rn), (3s), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5p), (5r),  
 12 (5rm), (6n), and (8r) and passed through to partners shall be added to the  
 13 partnership's income.

NOTE: NOTE: Par. (a) is shown as affected by 2011 Wis. Acts 212 and 232 and as merged by the legislative reference bureau under s. 13.92 (2) (i).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; 2011 a. 32, 212, 232; 2011 a. 260 s. 80; s. 13.92 (2) (i).

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

15 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dd),  
 16 (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r),  
 17 (3rm), (3rn), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5p), (5r), (5rm), (6n), (8r),  
 18 and (9s) and not passed through by a partnership, limited liability company, or  
 19 tax-option corporation that has added that amount to the partnership's, limited  
 20 liability company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k)  
 21 (g).

NOTE: NOTE: NOTE: Subd. 4. is shown as affected by 2011 Wis. Acts 212 and 232 and as merged by the legislative reference bureau under s. 13.92 (2) (i).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, 183, 205, 265, 269, 295, 332, 344; 2011 a. 3, 5, 7, 10, 32, 212, 232; 2011 a. 260 s. 80; s. 13.92 (2) (i); s. 35.17 correction in (2) (a) 10.

Insert 5 - 25'

SECTION 5. 71.34 (1k) (g) of the statutes 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), (3rm), (3rn), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5p), (5r), (5rm), (6n), and (8r) and passed through to shareholders.

NOTE: NOTE: Par. (g) is shown as affected by 2011 Wis. Acts 212 and 232 and as merged by the legislative reference bureau under s. 13.92 (2) (i).NOTE:

History: 1987 a. 312; 1987 a. 411 ss. 18, 23, 146; 1989 a. 31, 336; 1991 a. 39, 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; 2011 a. 32, 212, 232; 2011 a. 260 s. 80; s. 13.92 (2) (i).

SECTION 6. 71.45 (2) (a) 10. of the statutes 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), (5p), (5r), (5rm), (6n), (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).

NOTE: NOTE: Subd. 10. is shown as affected by 2011 Wis. Acts 212 and 232 and as merged by the legislative reference bureau under s. 13.92 (2) (i).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, 326; 2005 a. 74, 297, 335, 361, 479, 483; 2007 a. 20, 96, 226; 2009 a. 2, 28, 165, 205, 265, 269, 295, 332, 344; 2011 a. 3, 5, 32, 212, 232; 2011 a. 260 s. 80; 13.92 (2) (i).

Insert 9 - 2'

SECTION 7. 77.92 (4) of the statutes 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

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), (5n), (5p), (5r), (5rm),  
7 (6n), and (8r); and plus or minus, as appropriate, transitional adjustments,  
8 depreciation differences, and basis differences under s. 71.05 (13), (15), (16), (17), and  
9 (19); but excluding income, gain, loss, and deductions from farming. "Net business  
10 income," with respect to a natural person, estate, or trust, means profit from a trade  
11 or 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.

**History:** 1989 a. 335; 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; 2011 a. 32, 212; 2011 a. 260 s. 80.



**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-0964/1dn

JK:sac:jf

January 17, 2013

Senator Lassa:

This draft is based on 2011 Assembly Bill 211, as amended by Assembly Amendments 1, 2, 3, and 4.

Joseph T. Kreye  
Senior Legislative Attorney  
Phone: (608) 266-2263  
E-mail: [joseph.kreye@legis.wisconsin.gov](mailto:joseph.kreye@legis.wisconsin.gov)

**Rose, Stefanie**

---

**From:** Williams, Danielle  
**Sent:** Thursday, February 07, 2013 2:13 PM  
**To:** LRB.Legal  
**Subject:** Draft Review: LRB -0964/1 Topic: Tax credit for investments in a community development financial institution

Please Jacket LRB -0964/1 for the SENATE.