

2013 DRAFTING REQUEST

Senate Amendment (SA-SB1)

Received: 2/1/2013 Received By: jkreye
Wanted: As time permits Same as LRB:
For: John Lehman (608) 266-1832 By/Representing: beau
May Contact: Drafter: jkreye
Subject: Tax, Other - miscellaneous Addl. Drafters:
Extra Copies:

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

Pre Topic:

No specific pre topic given

Topic:

Net proceeds tax on mining; upfront payments

Instructions:

See attached (and from SSA2 to 11 SB 488)

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 2/1/2013	wjackson 2/1/2013	rschluet 2/1/2013	_____			
/1				_____	mbarman 2/1/2013	mbarman 2/1/2013	

FE Sent For:

<END>

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/?	jkreye	1 WLJ 2/1	 2/13	_____			

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<END>

Kreye, Joseph

From: Tradewell, Becky
Sent: Friday, February 01, 2013 10:58 AM
To: Kreye, Joseph
Subject: Amendment for Lehman

Joe,

Beau asked me to ask you to draft an amendment to SB 1 consisting of the "upfront payments" without the job training provisions. That would be a modification of a0051, I believe. Let me know if this isn't clear.

Becky



State of Wisconsin
2013 - 2014 LEGISLATURE



LRBa0051/1

JK:wlj:ph

Stays

0075/11

SENATE AMENDMENT,
TO SENATE BILL 1

in 2-1-13
Today

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

2 **1.** Page 27, line 10: after that line insert:

3 "SECTION 2d. 20.445 (1) (gm) of the statutes is created to read:

4 20.445 (1) (gm) *Mining industry jobs training grants.* All moneys credited to
5 this appropriation account under s. 70.395 (1e) (a), for mining skills training grants
6 under s. 106.05 and for mining equipment manufacturing training grants under s.
7 106.35."

8 **2.** Page 34, line 21: after that line insert:

9 "SECTION 29d. 70.375 (2) (a) of the statutes is amended to read:

10 70.375 (2) (a) ~~In~~ Except as provided in subs. (2b) and (2c), with respect to mines
11 not in operation on November 28, 1981, there is imposed upon persons engaged in
12 mining metalliferous minerals in this state a net proceeds occupation tax effective
13 on the date on which extraction begins to compensate the state and municipalities

1 for the loss of valuable, irreplaceable metalliferous minerals. The amount of the tax
2 shall be determined by applying the rates established under sub. (5) to the net
3 proceeds of each mine. The net proceeds of each mine for each year are the difference
4 between the gross proceeds and the deductions allowed under sub. (4) for the year.

5 **SECTION 29e.** 70.375 (2b) of the statutes is created to read:

6 70.375 (2b) MINIMUM TAX. With respect to mines in operation after December
7 31, 2011, beginning with the month in which a permit is issued to a person under s.
8 295.58, and for each of the 60 months following that month, the amount of the tax
9 imposed on that person is the greater of the tax computed under sub. (2) or an amount
10 equal to \$83,333 for each month.

11 **SECTION 29f.** 70.375 (2c) of the statutes is created to read:

12 70.375 (2c) CREDIT. With respect to mines in operation after December 31,
13 2011, if a person subject to sub. (2b) would have paid less tax under sub. (2) than
14 under sub. (2b), the person may claim as a credit against the tax imposed under sub.
15 (2) or (2b) an amount equal to the difference between the amount paid under sub. (2b)
16 and the amount that the person would have paid under sub. (2), except that the
17 person may not claim a credit amount that would result in less than the total
18 minimum tax liability computed under sub. (2b) for the period for which the person
19 is subject to sub. (2b). The person may carry forward the amount of any unused credit
20 under this subsection, as adjusted under sub. (6), to claim against the person's tax
21 liability in subsequent years until the total amount of the credit is used.”.

22 **3.** Page 34, line 24: after that line insert:

23 “SECTION 30d. 70.375 (6) of the statutes is amended to read:

1 70.375 (6) INDEXING. For calendar year 1983 and corresponding fiscal years and
2 thereafter, the dollar amounts in sub. (5) and s. 70.395 (1) and (2) (d) 1m. and 5. a.
3 and (dg), and the amount of any unused credit under sub. (2c), shall be changed to
4 reflect the percentage change between the gross national product deflator for June
5 of the current year and the gross national product deflator for June of the previous
6 year, as determined by the U.S. department of commerce as of December 30 of the
7 year for which the taxes are due, except that no annual increase may be more than
8 10%. For calendar year 1983 and corresponding fiscal years and thereafter until
9 calendar year 1997 and corresponding fiscal years, the dollar amounts in s. 70.395
10 (1m), 1995 stats., shall be changed to reflect the percentage change between the gross
11 national product deflator for June of the current year and the gross national product
12 deflator for June of the previous year, as determined by the U.S. department of
13 commerce as of December 30 of the year for which the taxes are due, except that no
14 annual increase may be more than 10%. The revised amounts shall be rounded to
15 the nearest whole number divisible by 100 and shall not be reduced below the
16 amounts under sub. (5) on November 28, 1981. Annually, the department shall
17 adopt any changes in dollar amounts required under this subsection and incorporate
18 them into the appropriate tax forms.”

19 4. Page 35, line 5: delete lines 5 to 13 and substitute:

20 “SECTION 32d. 70.395 (1e) of the statutes is renumbered 70.395 (1e) (intro.) and
21 amended to read:

22 70.395 (1e) DISTRIBUTION. (intro.) Fifteen days after the collection of the tax
23 under ss. 70.38 to 70.39, the department of administration, upon certification of the
24 department of revenue, shall transfer the amount collected in respect to mines not

1 in operation on November 28, 1981, to the investment and local impact fund, except
2 as follows:

3 **SECTION 32e.** 70.395 (1e) (a) of the statutes is created to read:

4 70.395 (1e) (a) For the first 24 months following the month in which a person
5 is issued a permit under s. 295.58, the department of administration shall credit the
6 amount collected from any such person, not to exceed \$1,000,000 annually or
7 \$2,000,000 total, to the appropriation under s. 20.445 (1) (gm) and shall transfer any
8 amount in excess of \$1,000,000 annually, or \$2,000,000 total, as provided under par.
9 (b).

10 **SECTION 32f.** 70.395 (1e) (b) of the statutes is created to read:

11 70.395 (1e) (b) Except as provided under par. (a), the department of
12 administration shall transfer 60 percent of the amount collected from each person
13 extracting ferrous metallic minerals in this state to the investment and local impact
14 fund and 40 percent of the amount collected from any such person into the economic
15 development fund.”.

16 **5.** Page 36, line 10: after that line insert:

17 **“SECTION 36d.** 70.395 (2) (dg) of the statutes is amended to read:

18 70.395 (2) (dg) Each person constructing a metalliferous mining site shall pay
19 to the department of revenue for deposit in the investment and local impact fund, as
20 a construction fee, an amount sufficient to make the construction period payments
21 under par. (d) 5. in respect to that site. Any person paying a construction fee under
22 this paragraph may credit against taxes due under s. 70.375 an amount equal to the
23 payments that the taxpayer has made under this paragraph, provided that the credit
24 does not reduce the taxpayer’s liability under s. 70.375 below the amount needed to

1 make the first-dollar payments under par. (d) 1., 2. and 2m. for that year in respect
2 to the taxpayer's mine. For the first 24 months following the month in which the
3 taxpayer is issued a permit under s. 295.58, the taxpayer may not use the credit to
4 reduce the taxpayer's liability under s. 70.375 below the minimum amount required
5 under s. 70.375 (2b), but the taxpayer may use the credit in subsequent years to
6 reduce the taxpayer's liability under s. 70.375 below the minimum amount required
7 under s. 70.375 (2b). Any amount not creditable because of that limitation in any
8 year may be carried forward.”

9 **6.** Page 38, line 10: after that line insert:

10 “SECTION 43d. 106.05 of the statutes is created to read:

11 **106.05 Mining skills training grants.** From the appropriation account
12 under s. 20.445 (1) (gm), the department, in consultation with the Wisconsin
13 Economic Development Corporation, shall award a grant annually of not more than
14 \$500,000 to Cooperative Educational Service Agency Number 12 or to an
15 organization operating a skills improvement apprenticeship program that is
16 authorized to administer the operating engineers certification program and to
17 provide training in the operation of heavy equipment for the purposes of
18 establishing, funding, and facilitating cross-training partnership programs
19 between that agency and that organization.

20 SECTION 43e. 106.35 of the statutes is created to read:

21 **106.35 Mining equipment manufacturing training grants.** From the
22 appropriation account under s. 20.445 (1) (gm), the department, in consultation with
23 the Wisconsin Economic Development Corporation, shall award a grant annually of
24 not more than \$500,000 to Cooperative Educational Service Agency Number 1 or to

1 an organization operating an economic and workforce development center in the
2 southeastern area of this state to establish, fund, and facilitate cross-training
3 partnership programs between that service agency and that organization for the
4 purpose of establishing classroom curriculum and hands-on job training programs
5 that provide individuals with the opportunity to receive instruction relating to the
6 performance of manufacturing jobs in facilities in that area that are involved in
7 producing equipment and products related to the mining industry.”

8

(END)