

2013 DRAFTING REQUEST

Assembly Amendment (AA-SB1)

Received: 3/5/2013 Received By: jkreye
Wanted: As time permits Same as LRB:
For: Robb Kahl (608) 266-8570 By/Representing: mike
May Contact: Drafter: jkreye
Subject: Tax, Other - miscellaneous Addl. Drafters:
Extra Copies:

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

Pre Topic:

No specific pre topic given

Topic:

Mining; minimum net proceeds occupation tax provisions

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 3/5/2013	wjackson 3/5/2013		_____			
/1			rschluet 3/6/2013	_____	srose 3/6/2013	srose 3/6/2013	

FE Sent For:

<END>

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/?	jkreye	/1 wly 3/5	/1 wly 3/5				
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FE Sent For:

3-6-13 JM
<END>

Kreye, Joseph

From: Tierney, Michael
Sent: Tuesday, March 05, 2013 12:18 PM
To: Kreye, Joseph
Subject: Mining amendment requests

Importance: High

Joe,

Rep. Kahl would like another amendment done to require any company seeking a mining permit to provide proof that 90% of the construction work to be done related to that mine will be done by contractors who participate in a state or federal certified apprenticeship program as a condition of the permit?

Also – on his existing amendment LRBa0191/1 – can you modify it to have it mirror exactly the language from last session's bill? We changed the funding but Rep. Kahl wants it to be identical, in terms of funding, to the language in the bill that passed the Assembly last session.

Thank you.

Michael Tierney
Legislative Aide
Office of Representative Robb Kahl
Room 7 West, State Capitol
PO Box 8952
Madison WI 53708
Michael.tierney@legis.wi.gov
608-266-8570

~~Anna Fleming~~

3-5-13

Anna Fleming

Kohl

↳ alternate to a 0191

grant program -- minimum 60 months

60 months

or covered by joint finance

SSA2 to SB488



State of Wisconsin
2013 - 2014 LEGISLATURE



LRBa0056/P1

JK:wjl:ph

stays

VSE a0056/P1 or base

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

SENATE AMENDMENT,

TO SENATE BILL 1

assembly

90.222/11

in 3-5-13
D-N
by used 3-6
AM

as shown by senate substitute
amendment 2,

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

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

3 "SECTION 20. 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 20, 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

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

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

7 70.375 (2b) MINIMUM TAX. With respect to mines in operation after December
8 31, 2012, beginning with the month in which a permit is issued to a person under s.
9 295.58, and for each of the 60 months following that month, the amount of the tax
10 imposed on that person is the greater of the tax computed under sub. (2) or an amount
11 equal to \$83,333 for each month.

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

13 70.375 (2c) CREDIT. With respect to mines in operation after December 31,
14 2012, if a person subject to sub. (2b) would have paid less tax under sub. (2) than
15 under sub. (2b), the person may claim as a credit against the tax imposed under sub.
16 (2) or (2b) an amount equal to the difference between the amount paid under sub. (2b)
17 and the amount that the person would have paid under sub. (2), except that the
18 person may not claim a credit amount that would result in less than the total
19 minimum tax liability computed under sub. (2b) for the period for which the person
20 is subject to sub. (2b). The person may carry forward the amount of any unused credit
21 under this subsection, as adjusted under sub. (6), to claim against the person's tax
22 liability in subsequent years until the total amount of the credit is used.”.

23 **3.** Page 34 line 24 after that line insert:

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

30e (2)

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.”

the material beginning with that line and ending with page 8, line 2

19

4. Page 35, line 7 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) From the amount collected from a person who is issued a permit
5 under s. 295.58, the department of administration shall transfer, as provided under
6 par. (b), any amount in excess of \$1,000,000 annually, or \$2,000,000 total, collected
7 from any such person.

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

9 70.395 (1e) (b) Except as provided under par. (a), the department of
10 administration shall transfer 60 percent of the amount collected from each person
11 extracting ferrous metallic minerals in this state to the investment and local impact
12 fund and 40 percent of the amount collected from any such person into the economic
13 development fund.”

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

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

16 70.395 (2) (dg) Each person constructing a metalliferous mining site shall pay
17 to the department of revenue for deposit in the investment and local impact fund, as
18 a construction fee, an amount sufficient to make the construction period payments
19 under par. (d) 5. in respect to that site. Any person paying a construction fee under
20 this paragraph may credit against taxes due under s. 70.375 an amount equal to the
21 payments that the taxpayer has made under this paragraph, provided that the credit
22 does not reduce the taxpayer's liability under s. 70.375 below the amount needed to
23 make the first-dollar payments under par. (d) 1., 2. and 2m. for that year in respect
24 to the taxpayer's mine. For the first 24 months following the month in which the

1 taxpayer is issued a permit under s. 295.58, the taxpayer may not use the credit to
2 reduce the taxpayer's liability under s. 70.375 below the minimum amount required
3 under s. 70.375 (2b), but the taxpayer may use the credit in subsequent years to
4 reduce the taxpayer's liability under s. 70.375 below the minimum amount required
5 under s. 70.375 (2b). Any amount not creditable because of that limitation in any
6 year may be carried forward."

7 **6.** Page ⁽¹²⁾38, line ⁽²²⁾10, after that line insert:

8 "SECTION 43d. 106.05 of the statutes is created to read:

9 **106.05 Mining skills training grants.** From the appropriation account
10 under s. 20.445 (1) (gm), the department, in consultation with the Wisconsin
11 Economic Development Corporation, shall award a grant annually of not more than
12 \$500,000 to Cooperative Educational Service Agency Number 12 or to an
13 organization operating a skills improvement apprenticeship program that is
14 authorized to administer the operating engineers certification program and to
15 provide training in the operation of heavy equipment for the purposes of
16 establishing, funding, and facilitating cross-training partnership programs
17 between that agency and that organization.

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

19 **106.35 Mining equipment manufacturing training grants.** From the
20 appropriation account under s. 20.445 (1) (gm), the department, in consultation with
21 the Wisconsin Economic Development Corporation, shall award a grant annually of
22 not more than \$500,000 to Cooperative Educational Service Agency Number 1 or to
23 an organization operating an economic and workforce development center in the
24 southeastern area of this state to establish, fund, and facilitate cross-training

1 partnership programs between that service agency and that organization for the
2 purpose of establishing classroom curriculum and hands-on job training programs
3 that provide individuals with the opportunity to receive instruction relating to the
4 performance of manufacturing jobs in facilities in that area that are involved in
5 producing equipment and products related to the mining industry.”

6

(END)

D-N

a 0222/1dn

Representative Kahl:

This amendment has the same minimum tax
and grant-funding provisions as 2011
Senate Substitute Amendment 2 to ²⁰¹¹ Senate Bill
488, as adopted by ^{the} Joint ^{Committee on} Finance.

JK

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

LRBa0222/1dn
JK:wlj:rs

March 6, 2013

Representative Kahl:

This amendment has the same minimum tax and grant-funding provisions as 2011 Senate Substitute Amendment 2 to 2011 Senate Bill 488, as adopted by the Joint Committee on Finance.

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