

## 2015 DRAFTING REQUEST

### Bill

Received: **12/19/2014** Received By: **jkreye**  
Wanted: **As time permits** Same as LRB:  
For: **Administration-Budget** By/Representing: **Quinn**  
May Contact: Drafter: **jkreye**  
Subject: **Econ. Development - tax incentives** Addl. Drafters: **mgallagh**  
**Tax, Business - credits** **zwyatt**

Extra Copies:

Submit via email: **YES**  
Requester's email:  
Carbon copy (CC) to: **joseph.kreye@legis.wisconsin.gov**  
**sbostatlanguage@webapps.wi.gov**  
**michael.gallagher@legis.wisconsin.gov**  
**zachary.wyatt@legis.wisconsin.gov**

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### Pre Topic:

DOA:.....Quinn, BB0318 -

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### Topic:

Jobs credit and economic development credit consolidation

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### Instructions:

See attached

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### 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>
/P1	mgallagh 1/22/2015	kfollett 1/22/2015	jmurphy 1/23/2015	_____	mbarman 1/14/2015		
/P2	jkreye			_____	sbasford		

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	1/26/2015			_____	1/23/2015		
/P3	jkreye 1/28/2015	kfollett 1/26/2015	jmurphy 1/26/2015	_____	srose 1/26/2015		
/P4	mgallagh 1/30/2015	kfollett 1/30/2015	rschluet 1/30/2015	_____	lparisi 1/28/2015		
/P5	mgallagh 1/31/2015	jdyer 2/1/2015	jmurphy 2/1/2015	_____	srose 1/30/2015		
/P6				_____	mbarman 2/1/2015		

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/P2	jkreye	PC 2/1 jld	Jim 2/11	Jim + Jb 2/11	sbasford		

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**Drafting History:**

Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

/P1 jkreye

1/14  
1/15  
1/14

FE Sent For:

<END>

**Kreye, Joseph**

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**From:** Hanaman, Cathlene  
**Sent:** Thursday, December 18, 2014 2:45 PM  
**To:** Kreye, Joseph; Shovers, Marc  
**Subject:** FW: Statutory Language Drafting Request - BB0318

**From:** brian.quinn@wisconsin.gov [mailto:brian.quinn@wisconsin.gov]  
**Sent:** Thursday, December 18, 2014 2:30 PM  
**To:** Hanaman, Cathlene  
**Cc:** Ziegler, Paul - DOA; Quinn, Brian D - DOA; Connor, Christopher B - DOA  
**Subject:** Statutory Language Drafting Request - BB0318

Biennial Budget: 2015-17

DOA Tracking Code: BB0318

Topic: Jobs and Economic Development Tax Credit Consolidation

SBO Team: TLGED

SBO Analyst: Quinn, Brian D - DOA  
Phone: (608) 266-1923  
E-mail: [brian.quinn@wisconsin.gov](mailto:brian.quinn@wisconsin.gov)

Agency Acronym: WEDC

Agency Number: 192

Priority: High

Intent:

Consolidate the Economic Development Tax Credit and the Jobs Tax Credit into a single credit called the "Business Development Tax Credit."

1. The credit will have a \$10 million annual allocation that can carryover from one year to the next.
2. The credit will be refundable.
3. JCF may allocate unused Angel and Early Stage Investment Credits to the Business Development Credit.
4. Awards may be based on the following criteria:
  - Job creation and retention may be awarded at up to 10% of eligible wages meeting the state's definition of full-time employment. Allow up to an additional 5% bonus award for jobs in distressed counties, which will be determined by WEDC via rules passed by the board. Jobs earning credits must be maintained for five years and offer a health insurance benefit. Jobs earnings credits are those wages tied to the positions created as part of the agreement rather than to the individuals hired in those positions.

*Retain HQ requirement  
From Econ. Dev. credit  
- sum sufficient  
Refundable*

- Capital investment will be incented at up to 3% of the eligible personal property investment and 5% of the eligible real property investment. Projects must meet a minimum requirement of at least \$10,000 per employee working at the location or \$1 million, whichever is less.
- Worker training will be incented at 50% of eligible training costs. Training is required to enhance an employee's general knowledge, employability, and flexibility in the workplace; develop skills unique to an individual company's workplace or equipment; or develop skills that will increase the quality of the company's product.

WEDC may not award any additional Economic Development Tax Credits nor may it use the unutilized balance of any economic development tax credits after July 1, 2015.

The corporation shall adopt policies for the administration of the credit, including the following:

1. Forms and procedures by which applicants may apply for certification.
2. Certifying a credit
3. Reporting requirements for certified claimants.
4. Reasons for revoking a business's certification

Attachments: False

Please send completed drafts to [SBOSatl@webapps.wi.gov](mailto:SBOSatl@webapps.wi.gov)



State of Wisconsin  
2015 - 2016 LEGISLATURE



LRB-0997/P1  
JK&MPG:...

*today please*

*of*

DOA:.....Quinn, BB0318 - Jobs credit and economic development credit consolidation

**FOR 2015-2017 BUDGET - NOT READY FOR INTRODUCTION**

*m 1-12-15*

*Not typed yet*

*Don't Gen*

1 AN ACT ...; relating to: the budget.

*Analysis by the Legislative Reference Bureau*

**TAXATION**

**INCOME TAXATION**

Under current law, a person may claim the economic development tax credit for eligible activities in economically distressed areas of the state, as determined by WEDC. Currently, a person may also claim a jobs tax credit equal to 10 percent of the wages paid to employees whose wages satisfy certain thresholds. Both credits are administered by WEDC.

This bill eliminates the economic development tax credit and the jobs tax credit and creates the business development credit, which is a refundable tax credit. Under the business development credit, a person certified by WEDC may claim all of the following:

*X*  
*X*  
*X*

1. An amount equal to up to *10* percent of the amount of wages that the person paid to an employee in a full-time position in a taxable year.

2. An amount equal to up to *5* percent of the amount of wages that the person paid to an employee in a full-time position in a taxable year, if the eligible position is offered at the claimant's business in an economically distressed area, as determined by WEDC.

3. An amount equal to up to 50 percent of the person's costs incurred to undertake certain job-training activities *?*

4. An amount equal to up to three percent of the person's personal property investment and five percent of the person's real property investment in certain capital investment projects.

WEDC may allocate up to \$10,000,000 to the business development tax credit in any calendar year and may carry forward unused amounts.

***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

**SECTION 1.** 20.835 (2) (bg) of the statutes is created to read:

20.835 (2) (bg) *Business development credit.* A sum sufficient to make the payments under ss. 71.07 (3y) (d) 2., 71.28 (3y) (d) 2., and 71.47 (3y) (d) 2.

\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

**SECTION 2.** 71.05 (6) (a) 15. of the statutes is amended to read:

71.05 (6) (a) 15. Except as provided under s. 71.07 (3p) (c) 5., 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), (3y), (4k), (4n), (5e), (5f), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), and (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).

**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; 2013 a. 19, 20, 128, 145; 2013 a. 166 s. 76; 2013 a. 173, 227; s. 13.92 (2) (i); s. 35.17 correction in (13) (a) 2.

**SECTION 3.** 71.07 (2dy) (b) of the statutes is amended to read:

71.07 (2dy) (b) *Filing claims.* Subject to the limitations under this subsection and ss. 238.301 to 238.306 or ss. 560.701 to 560.706, 2009 stats., for taxable years beginning after December 31, 2008, and before January 1, 2016, a claimant may claim as a credit against the tax imposed under s. 71.02 or 71.08, up to the amount



1 of the tax, the amount authorized for the claimant under s. 238.303 or s. 560.703,  
2 2009 stats.

**History:** 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135, 183, 255, 267, 326; 2005 a. 25, 49, 72, 74, 97, 177, 254, 361, 387, 479, 483, 487; 2007 a. 11, 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 s. 80; 2013 a. 20, 54, 62, 116, 145; 2013 a. 166 s. 77; s. 35.17 correction in (3q) (b) (intro.), (5n) (a) (intro.).

3 **SECTION 4.** 71.07 (2dy) (d) 4. of the statutes is created to read:

4 71.07 (2dy) (d) 4. No credit may be claimed under this subsection for taxable  
5 years beginning after December 31, 2015. Credits under this subsection for taxable  
6 years that begin before January 1, 2016, may be carried forward to taxable years that  
7 begin after December 31, 2015.

8 **SECTION 5.** 71.07 (3q) (b) (intro.) of the statutes is amended to read:

9 71.07 (3q) (b) *Filing claims.* (intro.) Subject to the limitations provided in this  
10 subsection and s. 238.16 or s. 560.2055, 2009 stats., for taxable years beginning after  
11 December 31, 2009, and before January 1, 2016, a claimant may claim as a credit  
12 against the taxes imposed under ss. 71.02 and 71.08 any of the following:

**History:** 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135, 183, 255, 267, 326; 2005 a. 25, 49, 72, 74, 97, 177, 254, 361, 387, 479, 483, 487; 2007 a. 11, 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 s. 80; 2013 a. 20, 54, 62, 116, 145; 2013 a. 166 s. 77; s. 35.17 correction in (3q) (b) (intro.), (5n) (a) (intro.).

13 **SECTION 6.** 71.07 (3q) (d) 3. of the statutes is created to read:

14 71.07 (3q) (d) 3. No credit may be claimed under this subsection for taxable  
15 years beginning after December 31, 2015. Credits under this subsection for taxable  
16 years that begin before January 1, 2016, may be carried forward to taxable years that  
17 begin after December 31, 2015.

18 **SECTION 7.** 71.07 (3y) of the statutes is created to read:

19 71.07 (3y) BUSINESS DEVELOPMENT CREDIT. (a) *Definitions.* In this subsection:

20 1. "Claimant" means a person certified to receive tax benefits under s. 238.308.

21 2. "Eligible position" has the meaning given in s. 238.308 (1) (a).

1 (b) *Filing claims.* Subject to the limitations provided in this subsection and s.  
2 238.308, for taxable years beginning after December 31, 2015, a claimant may claim  
3 as a credit against the tax imposed under ss. 71.02 and 71.08 all of the following:

4 1. The amount of wages that the claimant paid to an employee in an eligible  
5 position in the taxable year, not to exceed 10 percent of such wages, as determined  
6 by the Wisconsin Economic Development Corporation under s. 238.308.

7 2. The amount of wages that the claimant paid to an employee in an eligible  
8 position in the taxable year, not to exceed 5 percent of such wages, if the employee  
9 is employed in an eligible position at the claimant's business in an economically  
10 distressed area, as determined by the Wisconsin Economic Development  
11 Corporation.

12 3. The amount of training costs that the claimant incurred under s. 238.308 (4)  
13 (a) 3., not to exceed 50 percent of such costs, as determined by the Wisconsin  
14 Economic Development Corporation.

15 4. The amount of the personal property investment, not to exceed 3 percent of  
16 such investment, and the amount of the real property investment, not to exceed 5  
17 percent of such investment, in a capital investment project that satisfies s. 238.308  
18 (4) (a) 4., as determined by the Wisconsin Economic Development Corporation.

19 (c) *Limitations.* 1. Partnerships, limited liability companies, and tax-option  
20 corporations may not claim the credit under this subsection, but the eligibility for,  
21 and the amount of, the credit are based on their payment of amounts under par. (b).  
22 A partnership, limited liability company, or tax-option corporation shall compute  
23 the amount of credit that each of its partners, members, or shareholders may claim  
24 and shall provide that information to each of them. Partners, members of limited

1 liability companies, and shareholders of tax-option corporations may claim the  
2 credit in proportion to their ownership interests.

3 2. No credit may be allowed under this subsection unless the claimant includes  
4 with the claimant's return a copy of the claimant's certification for tax benefits under  
5 s. 238.308.

6 (d) *Administration.* 1. Section 71.28 (4) (e), (g), and (h), as it applies to the  
7 credit under s. 71.28 (4), applies to the credit under this subsection.

8 2. If the allowable amount of the claim under par. (b) exceeds the tax otherwise  
9 due under ss. 71.02 and 71.08, the amount of the claim not used to offset the tax due  
10 shall be certified by the department of revenue to the department of administration  
11 for payment by check, share draft, or other draft drawn from the appropriation  
12 account under s. 20.835 (2) (bg).

13 **SECTION 8.** 71.08 (1) (intro.) of the statutes is amended to read:

14 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married  
15 couple filing jointly, trust, or estate under s. 71.02, not considering the credits under  
16 ss. 71.07 (1), (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2dy), (3m), (3n), (3p),  
17 (3q), (3r), (3rm), (3rn), (3s), (3t), (3w), (3y), (4k), (5b), (5d), (5e), (5f), (5h), (5i), (5j), (5n),  
18 (6), (6e), (8r), (9e), (9m), and (9r), 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx),  
19 (1dy), (2m), (3), (3n), (3t), and (3w), 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx),  
20 (1dy), (2m), (3), (3n), (3t), and (3w), 71.57 to 71.61, and 71.613 and subch. VIII and  
21 payments to other states under s. 71.07 (7), is less than the tax under this section,  
22 there is imposed on that natural person, married couple filing jointly, trust or estate,  
23 instead of the tax under s. 71.02, an alternative minimum tax computed as follows:

**History:** 1987 a. 312, 411; 1989 a. 31; 1991 a. 39; 1995 a. 27, 209; 1997 a. 27, 237; 1999 a. 9; 2001 a. 109; 2003 a. 99, 135, 255, 326; 2005 a. 25, 177, 361, 479, 483; 2007  
a. 20, 97; 2009 a. 2, 28, 269, 295; 2011 a. 260 ss. 24, 80; 2013 a. 62, 145.

24 **SECTION 9.** 71.10 (4) (i) of the statutes is amended to read:

**SECTION 9**

1           71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland  
2           preservation credit under ss. 71.57 to 71.61, farmland preservation credit, 2010 and  
3           beyond under s. 71.613, homestead credit under subch. VIII, farmland tax relief  
4           credit under s. 71.07 (3m), dairy manufacturing facility investment credit under s.  
5           71.07 (3p), jobs tax credit under s. 71.07 (3q), meat processing facility investment  
6           credit under s. 71.07 (3r), woody biomass harvesting and processing credit under s.  
7           71.07 (3rm), food processing plant and food warehouse investment credit under s.  
8           71.07 (3rn), business development credit under s. 71.07 (3y), film production services  
9           credit under s. 71.07 (5f), film production company investment credit under s. 71.07  
10          (5h), veterans and surviving spouses property tax credit under s. 71.07 (6e),  
11          enterprise zone jobs credit under s. 71.07 (3w), beginning farmer and farm asset  
12          owner tax credit under s. 71.07 (8r), earned income tax credit under s. 71.07 (9e),  
13          estimated tax payments under s. 71.09, and taxes withheld under subch. X.

**History:** 1987 a. 312; 1987 a. 411 ss. 94, 97, 176 to 179; 1987 a. 422 s. 4; 1989 a. 31, 56, 359; 1991 a. 39; 1993 a. 16, 184; 1995 a. 27, 209, 418, 453; 1997 a. 27, 63, 237, 248; 1999 a. 9, 167; 2001 a. 16, 109; 2003 a. 33, 99, 135, 176, 255, 321; 2005 a. 25, 49, 71, 74, 177, 178, 323, 361, 460, 479, 483; 2007 a. 1, 20, 96, 97; 2009 a. 2, 28, 89, 265, 269, 295, 332; 2011 a. 32, 76, 169, 212, 222, 232; 2011 a. 260 ss. 25, 80; 2013 a. 20, 62, 145; 2013 a. 165 s. 114.

14           **SECTION 10.** 71.21 (4) (a) of the statutes is amended to read:

15           71.21 (4) (a) The amount of the credits computed by a partnership under s.  
16           71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dm), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p),  
17           (3q), (3r), (3rm), (3rn), (3s), (3t), (3w), (3y), (4k), (4n), (5e), (5f), (5g), (5h), (5i), (5j), (5k),  
18           (5r), (5rm), (6n), and (8r) and passed through to partners shall be added to the  
19           partnership's income.

**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; 2013 a. 20.

20           **SECTION 11.** 71.28 (1dy) (b) of the statutes is amended to read:

21           71.28 (1dy) (b) *Filing claims.* Subject to the limitations under this subsection  
22           and ss. 238.301 to 238.306 or s. 560.701 to 560.706, 2009 stats., for taxable years  
23           beginning after December 31, 2008, and before January 1, 2016, a claimant may

1 claim as a credit against the tax imposed under s. 71.23, up to the amount of the tax,  
2 the amount authorized for the claimant under s. 238.303 or s. 560.703, 2009 stats.

History: 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326; 2005 a. 25, 74, 97, 361, 387, 452, 479, 483, 487; 2007 a. 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 3, 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 s. 80; 2013 a. 20, 54, 62, 116, 145, 165; 2013 a. 166 ss. 26, 77.

3 **SECTION 12.** 71.28 (1dy) (d) 4. of the statutes is created to read:

4 71.28 (1dy) (d) 4. No credit may be claimed under this subsection for taxable  
5 years beginning after December 31, 2015. Credits under this subsection for taxable  
6 years that begin before January 1, 2016, may be carried forward to taxable years that  
7 begin after December 31, 2015.

8 **SECTION 13.** 71.28 (3q) (b) (intro.) of the statutes is amended to read:

9 71.28 (3q) (b) *Filing claims.* (intro.) Subject to the limitations provided in this  
10 subsection and s. 238.16 or s. 560.2055, 2009 stats., for taxable years beginning after  
11 December 31, 2009, and before January 1, 2016, a claimant may claim as a credit  
12 against the taxes imposed under s. 71.23 any of the following:

History: 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326; 2005 a. 25, 74, 97, 361, 387, 452, 479, 483, 487; 2007 a. 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 3, 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 s. 80; 2013 a. 20, 54, 62, 116, 145, 165; 2013 a. 166 ss. 26, 77.

13 **SECTION 14.** 71.28 (3q) (d) 3. of the statutes is created to read:

14 71.28 (3q) (d) 3. No credit may be claimed under this subsection for taxable  
15 years beginning after December 31, 2015. Credits under this subsection for taxable  
16 years that begin before January 1, 2016, may be carried forward to taxable years that  
17 begin after December 31, 2015.

18 **SECTION 15.** 71.28 (3y) of the statutes is created to read:

19 71.28 (3y) BUSINESS DEVELOPMENT CREDIT. (a) *Definitions.* In this subsection:

20 1. "Claimant" means a person certified to receive tax benefits under s. 238.308.

21 2. "Eligible position" has the meaning given in s. 238.308 (1) (a).

1 (b) *Filing claims.* Subject to the limitations provided in this subsection and s.  
2 238.308, for taxable years beginning after December 31, 2015, a claimant may claim  
3 as a credit against the tax imposed under ss. 71.02 and 71.08 all of the following:

4 1. The amount of wages that the claimant paid to an employee in an eligible  
5 position in the taxable year, not to exceed 10 percent of such wages, as determined  
6 by the Wisconsin Economic Development Corporation under s. 238.308.

7 2. The amount of wages that the claimant paid to an employee in an eligible  
8 position in the taxable year, not to exceed 5 percent of such wages, if the employee  
9 is employed in an eligible position at the claimant's business in an economically  
10 distressed area, as determined by the Wisconsin Economic Development  
11 Corporation.

12 3. The amount of training costs that the claimant incurred under s. 238.308 (4)  
13 (a) 3., not to exceed 50 percent of such costs, as determined by the Wisconsin  
14 Economic Development Corporation.

15 4. The amount of the personal property investment, not to exceed 3 percent of  
16 such investment, and the amount of the real property investment, not to exceed 5  
17 percent of such investment, in a capital investment project that satisfies s. 238.308  
18 (4) (a) 4., as determined by the Wisconsin Economic Development Corporation.

19 (c) *Limitations.* 1. Partnerships, limited liability companies, and tax-option  
20 corporations may not claim the credit under this subsection, but the eligibility for,  
21 and the amount of, the credit are based on their payment of amounts under par. (b).  
22 A partnership, limited liability company, or tax-option corporation shall compute  
23 the amount of credit that each of its partners, members, or shareholders may claim  
24 and shall provide that information to each of them. Partners, members of limited

1 liability companies, and shareholders of tax-option corporations may claim the  
2 credit in proportion to their ownership interests.

3 2. No credit may be allowed under this subsection unless the claimant includes  
4 with the claimant's return a copy of the claimant's certification for tax benefits under  
5 s. 238.308.

6 (d) *Administration*. 1. Subsection (4) (e), (g), and (h), as it applies to the credit  
7 under sub. (4), applies to the credit under this subsection.

8 2. If the allowable amount of the claim under par. (b) exceeds the tax otherwise  
9 due under s. 71.23, the amount of the claim not used to offset the tax due shall be  
10 certified by the department of revenue to the department of administration for  
11 payment by check, share draft, or other draft drawn from the appropriation account  
12 under s. 20.835 (2) (bg).

13 **SECTION 16.** 71.30 (3) (f) of the statutes is amended to read:

14 71.30 (3) (f) The total of farmland preservation credit under subch. IX,  
15 farmland tax relief credit under s. 71.28 (2m), dairy manufacturing facility  
16 investment credit under s. 71.28 (3p), jobs credit under s. 71.28 (3q), meat processing  
17 facility investment credit under s. 71.28 (3r), woody biomass harvesting and  
18 processing credit under s. 71.28 (3rm), food processing plant and food warehouse  
19 investment credit under s. 71.28 (3rn), enterprise zone jobs credit under s. 71.28  
20 (3w), business development credit under s. 71.28 (3y), film production services credit  
21 under s. 71.28 (5f), film production company investment credit under s. 71.28 (5h),  
22 beginning farmer and farm asset owner tax credit under s. 71.28 (8r), and estimated  
23 tax payments under s. 71.29.

**History:** 1987 a. 312; 1987 a. 411 ss. 144, 145, 182 to 185; 1989 a. 31, 56; 1991 a. 39; 1995 a. 27, 209; 1997 a. 27; 1999 a. 9; 2001 a. 16; 2003 a. 33, 99, 135, 255; 2005 a. 25, 74, 361, 479, 483; 2007 a. 20, 226; 2009 a. 2, 28, 265, 269, 295, 332; 2011 a. 3, 32, 212, 222, 232; 2011 a. 260 ss. 26, 80.

24 **SECTION 17.** 71.34 (1k) (g) of the statutes is amended to read:

1           71.34 (1k) (g) An addition shall be made for credits computed by a tax-option  
2 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy),  
3 (3), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3t), (3w), (3y), (4), (5), (5e), (5f), (5g),  
4 (5h), (5i), (5j), (5k), (5r), (5rm), (6n), and (8r) and passed through to shareholders.

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; 2013 a. 20.

5           **SECTION 18.** 71.45 (2) (a) 10. of the statutes is amended to read:

6           71.45 (2) (a) 10. By adding to federal taxable income the amount of credit  
7 computed under s. 71.47 (1dd) to (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn),  
8 (3w), (3y), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), (8r), and (9s) and not  
9 passed through by a partnership, limited liability company, or tax-option  
10 corporation that has added that amount to the partnership's, limited liability  
11 company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g) and  
12 the amount of credit computed under s. 71.47 (1), (3), (3t), (4), (4m), and (5).

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; 2013 a. 20, 145, 165.

13           **SECTION 19.** 71.47 (1dy) (b) of the statutes is amended to read:

14           71.47 (1dy) (b) *Filing claims.* Subject to the limitations under this subsection  
15 and ss. 238.301 to 238.306 or s. 560.701 to 560.706, 2009 stats., for taxable years  
16 beginning after December 31, 2008, and before January 1, 2016, a claimant may  
17 claim as a credit against the tax imposed under s. 71.43, up to the amount of the tax,  
18 the amount authorized for the claimant under s. 238.303 or s. 560.703, 2009 stats.

History: 1987 a. 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326; 2005 a. 25, 74, 97, 361, 387, 452, 479, 483, 487; 2007 a. 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 3, 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 ss. 80, 81; 2013 a. 20, 62, 116, 145.

19           **SECTION 20.** 71.47 (1dy) (d) 4. of the statutes is created to read:

20           71.47 (1dy) (d) 4. No credit may be claimed under this subsection for taxable  
21 years beginning after December 31, 2015. Credits under this subsection for taxable



1 years that begin before January 1, 2016, may be carried forward to taxable years that  
2 begin after December 31, 2015.

3 **SECTION 21.** 71.47 (3q) (b) (intro.) of the statutes is amended to read:

4 71.47 (3q) (b) *Filing claims.* (intro.) Subject to the limitations provided in this  
5 subsection and s. 238.16 or s. 560.2055, 2009 stats., for taxable years beginning after  
6 December 31, 2009, and before January 1, 2016, a claimant may claim as a credit  
7 against the taxes imposed under s. 71.43 any of the following:

History: 1987 a. 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417;  
1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326; 2005 a. 25, 74, 97, 361, 387, 452, 479, 483, 487; 2007 a. 20, 96, 97, 100; 2009 a. 2, 11,  
28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 3, 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 ss. 80, 81; 2013 a. 20, 62, 116, 145.

8 **SECTION 22.** 71.47 (3q) (d) 3. of the statutes is created to read:

9 71.47 (3q) (d) 3. No credit may be claimed under this subsection for taxable  
10 years beginning after December 31, 2015. Credits under this subsection for taxable  
11 years that begin before January 1, 2016, may be carried forward to taxable years that  
12 begin after December 31, 2015.

13 **SECTION 23.** 71.47 (3y) of the statutes is created to read:

14 71.47 (3y) BUSINESS DEVELOPMENT CREDIT. (a) *Definitions.* In this subsection:

15 1. "Claimant" means a person certified to receive tax benefits under s. 238.308.

16 2. "Eligible position" has the meaning given in s. 238.308 (1) (a).

17 (b) *Filing claims.* Subject to the limitations provided in this subsection and s.  
18 238.308, for taxable years beginning after December 31, 2015, a claimant may claim  
19 as a credit against the tax imposed under ss. 71.02 and 71.08 all of the following:

20 1. The amount of wages that the claimant paid to an employee in an eligible  
21 position in the taxable year, not to exceed 10 percent of such wages, as determined  
22 by the Wisconsin Economic Development Corporation under s. 238.308.

23 2. The amount of wages that the claimant paid to an employee in an eligible  
24 position in the taxable year, not to exceed 5 percent of such wages, if the employee

1 is employed in an eligible position at the claimant's business in an economically  
2 distressed area, as determined by the Wisconsin Economic Development  
3 Corporation.

4 3. The amount of training costs that the claimant incurred under s. 238.308 (4)  
5 (a) 3., not to exceed 50 percent of such costs, as determined by the Wisconsin  
6 Economic Development Corporation.

7 4. The amount of the personal property investment, not to exceed 3 percent of  
8 such investment, and the amount of the real property investment, not to exceed 5  
9 percent of such investment, in a capital investment project that satisfies s. 238.308  
10 (4) (a) 4., as determined by the Wisconsin Economic Development Corporation.

11 (c) *Limitations.* 1. Partnerships, limited liability companies, and tax-option  
12 corporations may not claim the credit under this subsection, but the eligibility for,  
13 and the amount of, the credit are based on their payment of amounts under par. (b).  
14 A partnership, limited liability company, or tax-option corporation shall compute  
15 the amount of credit that each of its partners, members, or shareholders may claim  
16 and shall provide that information to each of them. Partners, members of limited  
17 liability companies, and shareholders of tax-option corporations may claim the  
18 credit in proportion to their ownership interests.

19 2. No credit may be allowed under this subsection unless the claimant includes  
20 with the claimant's return a copy of the claimant's certification for tax benefits under  
21 s. 238.308.

22 (d) *Administration.* 1. Section 71.28 (4) (e), (g), and (h), as it applies to the  
23 credit under s. 71.28 (4), applies to the credit under this subsection.

24 2. If the allowable amount of the claim under par. (b) exceeds the tax otherwise  
25 due under s. 71.42, the amount of the claim not used to offset the tax due shall be

1 certified by the department of revenue to the department of administration for  
2 payment by check, share draft, or other draft drawn from the appropriation account  
3 under s. 20.835 (2) (bg).

4 **SECTION 24.** 71.49 (1) (f) of the statutes is amended to read:

5 71.49 (1) (f) The total of farmland preservation credit under subch. IX,  
6 farmland tax relief credit under s. 71.47 (2m), dairy manufacturing facility  
7 investment credit under s. 71.47 (3p), jobs credit under s. 71.47 (3q), meat processing  
8 facility investment credit under s. 71.47 (3r), woody biomass harvesting and  
9 processing credit under s. 71.47 (3rm), food processing plant and food warehouse  
10 investment credit under s. 71.47 (3rn), enterprise zone jobs credit under s. 71.47  
11 (3w), business development credit under s. 71.47 (3y), film production services credit  
12 under s. 71.47 (5f), film production company investment credit under s. 71.47 (5h),  
13 beginning farmer and farm asset owner tax credit under s. 71.47 (8r), and estimated  
14 tax payments under s. 71.48.

History: 1987 a. 312, 411; 1989 a. 31, 56; 1991 a. 39; 1995 a. 27, 209; 1997 a. 27; 2001 a. 16; 2003 a. 99, 135, 255; 2005 a. 74, 361, 479, 483; 2007 a. 20; 2009 a. 2, 28, 265, 269, 295, 332; 2011 a. 3, 32, 212, 232; 2011 a. 260 ss. 27, 80.

15 **SECTION 25.** 76.637 (2) of the statutes is amended to read:

16 76.637 (2) FILING CLAIMS. Subject to the limitations under this section, ss.  
17 238.301 to 238.306, and ss. 560.701 to 560.706, 2009 stats., for taxable years  
18 beginning after December 31, 2008, and before January 1, 2016, a claimant may  
19 claim as a credit against the fees due under s. 76.60, 76.63, 76.65, 76.66, or 76.67 the  
20 amount authorized for the claimant under s. 238.303 or s. 560.703, 2009 stats.

History: 2009 a. 2; 2011 a. 32.

21 **SECTION 26.** 76.637 (5) of the statutes is created to read:

22 76.637 (5) SUNSET. No credit may be claimed under this section for taxable  
23 years beginning after December 31, 2015.

24 **SECTION 27.** 238.16 (4) (c) of the statutes is amended to read:

1           238.16 (4) (c) Subject to a reallocation by the corporation pursuant to rules  
2 adopted under s. 238.15 (3) (d), the corporation may allocate up to \$5,000,000 in tax  
3 benefits under this section in any calendar year, except that beginning on July 1,  
4 2011, and ending December 31, 2015, the corporation may allocate up to \$10,000,000  
5 in tax benefits under this section in any calendar year.

6 History: 2009 a. 28, 265; 2011 a. 32 ss. 2864, 3357 to 3366; Stats. 2011 s. 238.16; 2011 a. 88; 2013 a. 20, 145.

6           **SECTION 28.** 238.15 (3) (d) (intro.) of the statutes is amended to read:

7           238.15 (3) (d) *Rules Administration.* (intro.) The corporation, in consultation  
8 with the department of revenue, shall ~~adopt rules~~ establish policies and procedures  
9 to administer this section. ~~The rules and~~ shall further define “bona fide angel  
10 investment” for purposes of s. 71.07 (5d) (a) 1. ~~The rules shall limit the aggregate~~  
11 ~~amount of tax credits under s. 71.07 (5d) that may be claimed for investments in~~  
12 ~~businesses certified under sub. (1) at \$3,000,000 per calendar year for calendar years~~  
13 ~~beginning after December 31, 2004, and before January 1, 2008, \$5,500,000 per~~  
14 ~~calendar year for calendar years beginning after December 31, 2007, and before~~  
15 ~~January 1, 2010, \$6,500,000 for calendar year 2010, and \$20,000,000 per calendar~~  
16 ~~year for calendar years beginning after December 31, 2010, plus, for taxable years~~  
17 ~~beginning after December 31, 2010, an additional \$250,000 for tax credits that may~~  
18 ~~be claimed for investments in nanotechnology businesses certified under sub. (1).~~  
19 ~~The rules shall also limit the aggregate amount and~~ of the tax credits under ss. 71.07  
20 (5b), 71.28 (5b), 71.47 (5b), and 76.638 that may be claimed for investments paid to  
21 fund managers certified under sub. (2) ~~at \$3,500,000 per calendar year for calendar~~  
22 ~~years beginning after December 31, 2004, and before January 1, 2008, \$6,000,000 per~~  
23 ~~calendar year for calendar years beginning after December 31, 2007, and before~~  
24 ~~January 1, 2010, \$8,000,000 for calendar year 2010, and \$20,500,000~~ is \$30,000,000

1 per calendar year for ~~calendar years beginning after December 31, 2010, plus, for~~  
 2 ~~taxable years beginning after December 31, 2010, an additional \$250,000 for tax~~  
 3 ~~credits that may be claimed for investments in nanotechnology businesses certified~~  
 4 ~~under sub. (1). The rules policies and procedures established under this section shall~~ ✓  
 5 also provide that, for calendar years beginning after December 31, 2007, a person  
 6 who receives a credit under ss. 71.07 (5b) and (5d), 71.28 (5b), 71.47 (5b), or 76.638  
 7 must keep the investment in a certified business, or with a certified fund manager,  
 8 for no less than 3 years, unless the person's investment becomes worthless, as  
 9 determined by the corporation, during the 3-year period or the person has kept the  
 10 investment for no less than 12 months and a bona fide liquidity event, as determined  
 11 by the corporation, occurs during the 3-year period. The rules policies and  
 12 procedures shall permit the corporation to reallocate credits under this section that  
 13 are unused in any calendar year to a person eligible for tax benefits, as defined under  
 14 s. ~~238.16 (1) (d)~~ 238.30 (7) (e), if all of the following apply:

History: 2003 a. 255; 2005 a. 49, 97; 2007 a. 20, 125; 2009 a. 2, 265, 276; 2011 a. 32 s. 3356; Stats. 2011 s. 238.15; 2011 a. 213.

15 **SECTION 29.** 238.16 (6) of the statutes is created to read:

16 238.16 (6) SUNSET. The corporation may not award any tax benefits under this  
 17 section after June 30, 2015.

18 **SECTION 30.** 238.30 (7) (e) of the statutes is created to read:

19 238.30 (7) (e) In s. 238.308, "tax benefits" means the business development tax  
 20 credit under ss. 71.07 (3y), 71.28 (3y), and 71.47 (3y).

21 **SECTION 31.** 238.303 (4) of the statutes is created to read:

22 238.303 (4) SUNSET. The corporation may not award any tax benefits under ss.  
 23 238.301 to 238.306 after June 30, 2015.

24 **SECTION 32.** 238.308 of the statutes is created to read:

1           **238.308 Business development tax credit. (1) DEFINITIONS.** In this section:

2           (a) "Eligible position" means a person a full-time job offered by a person  
3 certified under sub. (2). ✓

4           (b) 1. Except as provided in subd. 2., <sup>✓</sup> ~~full-time~~ <sup>fix</sup> "job" means a regular,  
5 nonseasonal full-time position in which an individual, as a condition of employment,  
6 is required to work at least 2,080 hours per year, including paid leave and holidays,  
7 and for which the individual receives pay that is equal to at least 150 percent of the  
8 federal minimum wage and benefits that are not required by federal or state law.

9 <sup>fix</sup> "Full-time job" does not include initial training before an employment position. ✓

10          2. (intro.) The corporation may grant exceptions to the requirement under  
11 subd. 1. that a full-time job means a position in which an individual, as a condition  
12 of employment, is required to work at least 2,080 hours per year if all of the following  
13 apply:

14           a. The annual pay for the position is more than the amount determined by  
15 multiplying 2,080 by 150 percent of the federal minimum wage.

16           b. An individual in the position is offered retirement, health, and other benefits  
17 that are equivalent to the retirement, health, and other benefits offered to an  
18 individual who is required to work at least 2,080 hours per year.

19          (2) CERTIFICATION. (a) The corporation may certify a person to receive tax  
20 benefits under this section if all of the following apply: ✓

21           1. The person is operating or intends to operate a business in this state. ✓

22           2. The person applies under this section and enters into a contract with the  
23 corporation. ✓

24           (b) The certification of a person under par. (a) may remain in effect for no more  
25 than 10 cumulative years.

1           (3) ELIGIBILITY FOR TAX BENEFITS. A person is eligible to receive tax benefits if,  
2 in each year for which the person claims tax benefits under this section, the person  
3 increases net employment in this state in the person's business above the net  
4 employment in this state in the person's business during the year before the person  
5 was certified under sub. (2), as determined by the corporation under its policies and  
6 procedures.

      \*\*\*NOTE: This is borrowed from the jobs tax credit. Is it consistent with the intent?  
MPG

7           (4) AWARDS, LIMITS, EXPIRATION. (a) (intro.) The corporation may award all of  
8 the following tax benefits to a person certified under sub. (2):

9           1. An amount equal to up to 10 percent of the amount of wages that the person  
10 paid to an employee in an eligible position in a taxable year.

11           2. An amount equal to up to 5 percent of the amount of wages that the person  
12 paid to an employee in an eligible position in a taxable year, if the eligible position  
13 is offered at the claimant's business in an economically distressed area, as  
14 determined by the corporation.

15           3. An amount equal to up to 50 percent of the person's training costs incurred  
16 to undertake activities to enhance an employee's general knowledge, employability,  
17 and flexibility in the workplace; to develop skills unique to the person's workplace  
18 or equipment; or to develop skills that will increase the quality of the person's  
19 product.

20           4. An amount equal to up to 3 percent of the person's personal property  
21 investment and 5 percent of the person's real property investment in a capital  
22 investment project, if the project will result in the location or retention of a person's  
23 corporate headquarters in Wisconsin or if the project involves a total capital

1 investment of at least \$1,000,000 or, if less than \$1,000,000, the project involves a  
2 capital investment that is equal to at least \$10,000 per employee employed on the  
3 project.

4 <sup>eb</sup> (c) Subject to a reallocation by the corporation under s. 238.15 (3) (d), the  
5 corporation may allocate up to \$10,000,000 in tax benefits under this section in any  
6 calendar year. Any unused allocation may be carried forward.

7 (5) DUTIES OF THE CORPORATION. (a) The corporation shall notify the department  
8 of revenue when the corporation certifies a person to receive tax benefits.

9 (b) The corporation shall notify the department of revenue within 30 days of  
10 revoking a certification made under sub. (2).

11 (c) The corporation may require a person to repay any tax benefits the person  
12 claims for a year in which the person failed to maintain an eligible position required  
13 by an agreement under sub. (2) (b).

14 (d) The corporation shall determine the maximum amount of the tax credits  
15 under ss. 71.07 (3y), 71.28 (3y), and 71.47 (3y) that a certified business may claim and  
16 shall notify the department of revenue of this amount.

17 (e) The corporation shall annually verify the information submitted to the  
18 corporation by the person claiming tax benefits under ss. 71.07 (3y), 71.28 (3y), and  
19 71.47 (3y).

20 (f) The corporation shall adopt policies and procedures for the implementation  
21 and operation of this section.

\*\*\*\*NOTE: These duties are borrowed largely from the jobs tax credit under current  
law. Okay? MPG

(END)



## Gallagher, Michael

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**From:** Quinn, Brian D - DOA <Brian.Quinn@wisconsin.gov>  
**Sent:** Tuesday, January 20, 2015 11:15 AM  
**To:** Gallagher, Michael; Kreye, Joseph  
**Subject:** RE: Business Development Credit - LRB#0997

It would be separate from the capital investment provision. This would mirror the current structure under s.238.302:

**238.302 Eligible activities.** A person who conducts or proposes to conduct any of the following may be certified under s. 238.301 (2):

- (1) **JOB CREATION PROJECT.** A project that creates and maintains for a period of time established by the corporation by rule full-time jobs in addition to any existing full-time jobs provided by the person.
- (2) **CAPITAL INVESTMENT PROJECT.** A project that involves a significant investment of capital, as defined by the corporation by rule under s. 238.306 (2) (b), by the person in new equipment, machinery, real property, or depreciable personal property.
- (3) **EMPLOYEE TRAINING PROJECT.** A project that involves significant investments in the training or reeducation of employees, as defined by the corporation by rule under s. 238.306 (2) (c), by the person for the purpose of improving the productivity or competitiveness of the business of the person.
- 238.302(4) (4) PROJECT RELATED TO PERSONS WITH CORPORATE HEADQUARTERS IN WISCONSIN.** A project that will result in the location or retention of a person's corporate headquarters in Wisconsin or that will result in the retention of employees holding full-time jobs in Wisconsin if the person's corporate headquarters are located in Wisconsin.

So this would be a separate and distinct provision from the capital investment piece. I think that with the corporate headquarters provision, as with the others, they have determined what the awards criteria are by rule as opposed to having them spelled out in statute. On this piece alone, keeping the statutory prescriptions of the others created for the Business Development Credit, I think it would be fine to keep the permissive authority to set what the awards are, unless they are statutorily set already and I just don't see that here. If they are, copy the current prescriptive language.

Currently, WEDC has their criteria listed here, but I can't find a statutory reference: <http://inwisconsin.com/inside-wedc/transparency/programs/economic-development-tax-credits/>

### Corporate Headquarters

Corporate headquarters tax credits may be allocated for created or retained positions performing corporate headquarters functions, according to the following table:

TIER	WAGE RANGE	TAX CREDIT
1	Full-time jobs paying from 150% to less than 200% of the federal minimum wage	Up to \$4,000 per job
2	Full-time jobs paying from 200% to less than 250% of the federal minimum wage	Up to \$6,000 per job
3	Full-time jobs paying from 250% to less than 500% of the federal minimum wage	Up to \$8,000 per job
4	Full-time jobs paying 500% or more of the federal minimum wage	Up to \$10,000 per job

Hopefully that clarifies the thinking on this one.

-Brian

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**From:** Gallagher, Michael [mailto:Michael.Gallagher@legis.wisconsin.gov]  
**Sent:** Tuesday, January 20, 2015 9:06 AM  
**To:** Quinn, Brian D - DOA; Kreye, Joseph - LEGIS  
**Subject:** RE: Business Development Credit - LRB#0997

I included something in this regard on the top of page 17, but if it's not what you are looking for, perhaps you could give me a statutory site.

Thanks.

**Michael Gallagher**  
Legislative Attorney  
Wisconsin Legislative Reference Bureau  
(608) 267-7511

**From:** Quinn, Brian D - DOA [<mailto:Brian.Quinn@wisconsin.gov>]  
**Sent:** Monday, January 19, 2015 5:24 PM  
**To:** Kreye, Joseph; Gallagher, Michael  
**Subject:** Business Development Credit - LRB#0997

Mike and Joe,

I just wanted to confirm that there was a request for including the present law headquarters recruitment/retention provision in the economic development credit under the new credit. I think I only communicated this in an e-mail to Mike so I wanted to confirm it.

Thanks.

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Brian Quinn  
Executive Policy and Budget Analyst - Senior  
Wisconsin Department of Administration  
Division of Executive Budget and Finance  
(608)-266-1923  
[Brian.quinn@wisconsin.gov](mailto:Brian.quinn@wisconsin.gov)

**Gallagher, Michael**

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**From:** Gallagher, Michael  
**Sent:** Wednesday, January 14, 2015 3:07 PM  
**To:** Gallagher, Michael  
**Subject:** FW: Draft review: LRB -0997/P1 Topic: Jobs credit and economic development credit consolidation  
**Attachments:** 15-0997/P1.pdf

See definition of full-time job under 238.30(2m)(a)

**Michael Gallagher**  
Legislative Attorney  
Wisconsin Legislative Reference Bureau  
(608) 267-7511

**From:** LRB.Legal  
**Sent:** Wednesday, January 14, 2015 2:54 PM  
**To:** Gallagher, Michael  
**Subject:** Draft review: LRB -0997/P1 Topic: Jobs credit and economic development credit consolidation

**Draft Requester: Administration-Budget**

**Following is the PDF version of draft LRB -0997/P1.**