

2015 DRAFTING REQUEST

Bill

Received: 12/22/2014 Received By: jkreye
Wanted: As time permits Same as LRB:
For: Administration-Budget By/Representing: Quinn
May Contact: Drafter: jkreye
Subject: Tax, Business - credits Addl. Drafters:
Extra Copies:

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Carbon copy (CC) to: joseph.kreye@legis.wisconsin.gov
sbostatlanguage@webapps.wi.gov

Pre Topic:

DOA:.....Quinn, BB0353 -

Topic:

Repeal development zone credits and related appropriations

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 1/6/2015			_____			
/P1	jkreye 1/28/2015	jdyer 1/28/2015	jfrantze 1/28/2015	_____	sbasford 1/14/2015		
/P2				_____	lparisi 1/28/2015		

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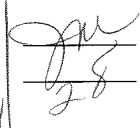
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1/?	jkreye	pl eev 1/13/15	pl eev 1/14/15 1/15/15	 1/14/15			

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<END>

Kreye, Joseph

From: CathleneH <cathleneh@gmail.com>
Sent: Monday, December 22, 2014 2:09 PM
To: Kreye, Joseph; Shovers, Marc
Subject: Fwd: Statutory Language Drafting Request - BB0353

You?

Sent from my iPhone

Begin forwarded message:

From: <brian.quinn@wisconsin.gov>
Date: December 22, 2014 at 2:25:59 PM AST
To: <cathlene.hanaman@legis.wisconsin.gov>
Cc: <Paul2.Ziegler@wisconsin.gov>, <Brian.Quinn@wisconsin.gov>, <Christopher.Connor@wisconsin.gov>
Subject: Statutory Language Drafting Request - BB0353

Biennial Budget: 2015-17

DOA Tracking Code: BB0353

Topic: Repeal Development Zones Credits and Related Appropriations

SBO Team: TLGED

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

Agency Acronym: SRTR

Agency Number: 835

Priority: Low

Intent:

Repeal the following credits:

1. Development Zones Investment Credit - 20.835(2)(ci)
2. Development Zones Location Credit - 20.835(2)(cL)
3. Development Zones Jobs Credit - 20.835(2)(cm)
4. Development Zones Sales Tax Credit - 20.835(2)(cn)

Attachments: False

Please send completed drafts to SBOSatlanguage@webapps.wi.gov



State of Wisconsin
2015 - 2016 LEGISLATURE



LRB-1018/P1

JK:.....

Leev

DOA:.....Quinn, BB0353 – Repeal development zone credits and related appropriations

FOR 2015-2017 BUDGET – NOT READY FOR INTRODUCTION

SAV
xrefv

in 1-6-15

Inserts

don't gen

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

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

Under current law, no person may claim the following development zone tax credits because they expired in 1997, 1998, or 1999: the investment credit, the location credit, the day cared credit, the environmental remediation credit, the research credit, the jobs credit, and the sales credit. This bill repeals those credits.

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

- 2 SECTION 1. 20.835 (2) (ci) of the statutes is repealed.
- 3 SECTION 2. 20.835 (2) (cL) of the statutes is repealed.
- 4 SECTION 3. 20.835 (2) (cm) of the statutes is repealed.
- 5 SECTION 4. 20.835 (2) (cn) of the statutes is repealed.

1 SECTION 5. 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), (4k), (4n), (5e),
5 (5f), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), and (8r) and not passed through by a
6 partnership, limited liability company, or tax-option corporation that has added that
7 amount to the partnership's, company's, or tax-option corporation's income under s.
8 71.21 (4) or 71.34 (1k) (g).

Amount 2-8

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.

9 SECTION 6. 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, and before January
12 1, 2014, for 2 consecutive taxable years beginning with the taxable year in which the
13 partnership's or limited liability company's business locates to this state from
14 another state or another country and begins doing business in this state, as defined
15 in s. 71.22 (1r), and subject to the limitations provided under subd. 47. d., dm., and
16 e., the partner's or member's distributive share of taxable income as calculated under
17 section 703 of the Internal Revenue Code; plus the items of income and gain under
18 section 702 of the Internal Revenue Code, including taxable state and municipal
19 bond interest and excluding nontaxable interest income or dividend income from
20 federal government obligations; minus the items of loss and deduction under section
21 702 of the Internal Revenue Code, except items that are not deductible under s.
22 71.21; plus guaranteed payments to partners under section 707 (c) of the Internal
23 Revenue Code; plus the credits claimed under s. 71.07 (~~2dd~~), (~~2de~~), (~~2di~~), (~~2dj~~), (~~2dL~~),

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

NOTE: NOTE: Subd. 47. b. is shown as affected by 2013 Wis. Acts 145 and 173 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, 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, 267, 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.

8 SECTION 7. 71.07 (2dd) of the statutes is repealed.

9 SECTION 8. 71.07 (2de) of the statutes is repealed.

10 SECTION 9. 71.07 (2di) of the statutes is repealed.

11 SECTION 10. 71.07 (2dj) of the statutes is repealed.

12 SECTION 11. 71.07 (2dL) of the statutes is repealed.

13 SECTION 12. 71.07 (2dr) of the statutes is repealed.

14 SECTION 13. 71.07 (2ds) of the statutes is repealed.

15 SECTION 14. 71.07 (2dx) (a) 3. of the statutes is amended to read:

16 71.07 (2dx) (a) 3. "Environmental remediation" means removal or
 17 containment of environmental pollution, as defined in s. 299.01 (4), and restoration
 18 of soil or groundwater that is affected by environmental pollution, as defined in s.
 19 299.01 (4), in a brownfield if that removal, containment or restoration fulfills the
 20 requirement under sub. (2de) (a) 1., 2013 stats., and investigation unless the
 21 investigation determines that remediation is required and that remediation is not
 22 undertaken.

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. 337m 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.).

SECTION 15. 71.07 (2dx) (a) 5. of the statutes is amended to read:

71.07 (2dx) (a) 5. "Member of a targeted group" means a person who resides in an area designated by the federal government as an economic revitalization area, a person who is employed in an unsubsidized job but meets the eligibility requirements under s. 49.145 (2) and (3) for a Wisconsin Works employment position, a person who is employed in a trial job, as defined in s. 49.141 (1) (n), 2011 stats., or in a trial employment match program job, as defined in s. 49.141 (1) (n), a person who is eligible for child care assistance under s. 49.155, a person who is a vocational rehabilitation referral, an economically disadvantaged youth, an economically disadvantaged veteran, a supplemental security income recipient, a general assistance recipient, an economically disadvantaged ex-convict, a qualified summer youth employee, as defined in 26 USC 51 (d) (7), a dislocated worker, as defined in 29 USC 2801 (9), or a food stamp recipient, if the person has been certified in the manner under sub. (2dj) (am) 3., 2013 stats., by a designated local agency, as defined in sub. (2dj) (am) 2., 2013 stats.

Amended
4-15

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.).

SECTION 16. 71.07 (2dx) (e) of the statutes is renumbered 71.07 (2dx) (e) 1. and

amended to read:

71.07 (2dx) (e) 1. Administration. Section 71.28 (4) (e) to (h), as it applies to the credit under s. 71.28 (4), applies to the credit under this subsection. ~~Subsection (2dj) (c), as it applies to the credit under sub. (2dj), applies to the credit under this subsection.~~ Claimants shall include with their returns a copy of their certification

1 for tax benefits and a copy of the department of commerce's verification of their
2 expenses.

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 ss. 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 17. 71.07 (2dx) (e) 2.** of the statutes is created to read:

4 **71.07 (2dx) (e) 2.** The credit under this subsection may not be claimed by
5 partnerships, limited liability companies and tax-option corporations but the
6 eligibility for, and the amount of, that credit shall be determined on the basis of their
economic activity, not that of their shareholders, partners or members. The
corporation, partnership or limited liability company shall compute the amount of
credit that may be claimed by each of its shareholders, partners or members and
shall provide that information to each of its shareholders, partners or members.
That credit may be claimed by partners, members of limited liability companies and
shareholders of tax-option corporations in proportion to their ownership interests.

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Suspect 5-12

13 **SECTION 18. 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), (4k), (5b), (5d), (5e), (5f), (5h), (5i), (5j), (5n), (6),
18 (6e), (8r), (9e), (9m), and (9r), 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1dy),
19 (2m), (3), (3n), (3t), and (3w), 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1dy),
20 (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,

1 there is imposed on that natural person, married couple filing jointly, trust or estate,
2 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.

Insert
6-5

3 SECTION 19. 71.10 (4) (gd) of the statutes is repealed.

4 SECTION 20. 71.10 (4) (ge) of the statutes is repealed.

5 SECTION 21. 71.10 (4) (gg) of the statutes is repealed.

6 SECTION 22. 71.10 (4) (gn) of the statutes is repealed.

7 SECTION 23. 71.10 (4) (gr) of the statutes is repealed.

8 SECTION 24. 71.10 (4) (gs) of the statutes is repealed.

9 SECTION 25. 71.10 (4) (gt) of the statutes is repealed.

10 SECTION 26. 71.21 (4) (a) of the statutes is amended to read:

11 71.21 (4) (a) The amount of the credits computed by a partnership under s.
12 71.07 ([✓]2dd), ([✓]2de), ([✓]2di), ([✓]2dj), ([✓]2dL), (2dm), ([✓]2ds), (2dx), (2dy), (3g), (3h), (3n), (3p),
13 (3q), (3r), (3rm), (3rn), (3s), (3t), (3w), (4k), (4n), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r),
14 (5rm), (6n), and (8r) and passed through to partners shall be added to the
15 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.

16 SECTION 27. 71.26 (2) (a) 4. of the statutes is amended to read:

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

Insert
6-15

Insert
7-2

1 liability company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k)

2 (g).

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; 2013 a. 20, 145; 2013 a. 165 ss. 46, 115.

3 **SECTION 28.** 71.28 (1dd) of the statutes is repealed.

4 **SECTION 29.** 71.28 (1de) of the statutes is repealed.

5 **SECTION 30.** 71.28 (1di) of the statutes is repealed.

6 **SECTION 31.** 71.28 (1dj) of the statutes is repealed.

7 **SECTION 32.** 71.28 (1dL) of the statutes is repealed.

8 **SECTION 33.** 71.28 (1dr) of the statutes is repealed.

9 **SECTION 34.** 71.28 (1ds) of the statutes is repealed.

10 **SECTION 35.** 71.28 (1dx) (a) 3. of the statutes is amended to read:

11 71.28 (1dx) (a) 3. "Environmental remediation" means removal or
12 containment of environmental pollution, as defined in s. 299.01 (4), and restoration
13 of soil or groundwater that is affected by environmental pollution, as defined in s.
14 299.01 (4), in a brownfield if that removal, containment or restoration fulfills the
15 requirement under sub. (1de) (a) 1., 2013 stats., and investigation unless the
16 investigation determines that remediation is required and that remediation is not
17 undertaken.

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.

18 **SECTION 36.** 71.28 (1dx) (a) 5. of the statutes is amended to read:

19 71.28 (1dx) (a) 5. "Member of a targeted group" means a person who resides
20 in an area designated by the federal government as an economic revitalization area,
21 a person who is employed in an unsubsidized job but meets the eligibility
22 requirements under s. 49.145 (2) and (3) for a Wisconsin Works employment position,

Amend 8-10

1 a person who is employed in a trial job, as defined in s. 49.141 (1) (n), 2011 stats., or
 2 in a trial employment match program job, as defined in s. 49.141 (1) (n), a person who
 3 is eligible for child care assistance under s. 49.155, a person who is a vocational
 4 rehabilitation referral, an economically disadvantaged youth, an economically
 5 disadvantaged veteran, a supplemental security income recipient, a general
 6 assistance recipient, an economically disadvantaged ex-convict, a qualified summer
 7 youth employee, as defined in 26 USC 51 (d) (7), a dislocated worker, as defined in
 8 29 USC 2801 (9), or a food stamp recipient, if the person has been certified in the
 9 manner under sub. (1dj) (am) 3., 2013 stats., by a designated local agency, as defined
 10 in sub. (1dj) (am) 2., 2013 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, 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.

11 **SECTION 37.** 71.28 (1dx) (e) of the statutes is renumbered 71.28 (1dx) (e) 1. and

12 amended to read:

13 71.28 (1dx) (e) 1. Administration. Subsection (4) (e) to (h), as it applies to the

14 credit under sub. (4), applies to the credit under this subsection. ~~Subsection (1dj) (e),~~

15 ~~as it applies to the credit under sub. (1dj), applies to the credit under this subsection.~~

16 Claimants shall include with their returns a copy of their certification for tax benefits

17 and a copy of the department of commerce's verification of their expenses.

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, 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.

18 **SECTION 38.** 71.28 (1dx) (e) 2. of the statutes is created to read:

19 71.28 (1dx) (e) 2. The credit under this subsection may not be claimed by

20 partnerships, limited liability companies and tax-option corporations but the

21 eligibility for, and the amount of, that credit shall be determined on the basis of their

22 economic activity, not that of their shareholders, partners or members. The

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

Amend 9-5

6 **SECTION 39.** 71.30 (3) (eb) of the statutes is repealed.

7 **SECTION 40.** 71.30 (3) (ec) of the statutes is repealed.

8 **SECTION 41.** 71.30 (3) (eg) of the statutes is repealed.

9 **SECTION 42.** 71.30 (3) (eh) of the statutes is repealed.

10 **SECTION 43.** 71.30 (3) (ej) of the statutes is repealed.

11 **SECTION 44.** 71.30 (3) (ek) of the statutes is repealed.

12 **SECTION 45.** 71.34 (1k) (g) of the statutes 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), (4), (5), (5e), (5f), (5g), (5h),
 16 (5i), (5j), (5k), (5r), (5rm), (6n), and (8r) and passed through to shareholders.

Amend 9-16

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, 861, 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.

17 **SECTION 46.** 71.47 (1dd) of the statutes is repealed.

18 **SECTION 47.** 71.47 (1de) of the statutes is repealed.

19 **SECTION 48.** 71.47 (1di) of the statutes is repealed.

20 **SECTION 49.** 71.47 (1dj) of the statutes is repealed.

21 **SECTION 50.** 71.47 (1dL) of the statutes is repealed.

22 **SECTION 51.** 71.47 (1dr) of the statutes is repealed.

23 **SECTION 52.** 71.47 (1ds) of the statutes is repealed.

24 **SECTION 53.** 71.47 (1dx) (a) 3. of the statutes is amended to read:

1 71.47 (1dx) (a) 3. "Environmental remediation" means removal or
 2 containment of environmental pollution, as defined in s. 299.01 (4), and restoration
 3 of soil or groundwater that is affected by environmental pollution, as defined in s.
 4 299.01 (4), in a brownfield if that removal, containment or restoration fulfills the
 5 requirement under sub. (1de) (a) 1., 2013 stats., and investigation unless the
 6 investigation determines that remediation is required and that remediation is not
 7 undertaken.

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 54.** 71.47 (1dx) (a) 5. of the statutes is amended to read:

9 71.47 (1dx) (a) 5. "Member of a targeted group" means a person who resides
 10 in an area designated by the federal government as an economic revitalization area,
 11 a person who is employed in an unsubsidized job but meets the eligibility
 12 requirements under s. 49.145 (2) and (3) for a Wisconsin Works employment position,
 13 a person who is employed in a trial job, as defined in s. 49.141 (1) (n), 2011 stats., or
 14 in a trial employment match program job, as defined in s. 49.141 (1) (n), a person who
 15 is eligible for child care assistance under s. 49.155, a person who is a vocational
 16 rehabilitation referral, an economically disadvantaged youth, an economically
 17 disadvantaged veteran, a supplemental security income recipient, a general
 18 assistance recipient, an economically disadvantaged ex-convict, a qualified summer
 19 youth employee, as defined in 26 USC 51 (d) (7), a dislocated worker, as defined in
 20 29 USC 2801 (9), or a food stamp recipient, if the person has been certified in the
 21 manner under sub. (1dj) (am) 3., 2013 stats., by a designated local agency, as defined
 22 in sub. (1dj) (am) 2., 2013 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.

Insert
10-22

1 SECTION 55. 71.47 (1dx) (e) of the statutes is renumbered 71.47 (1dx) (e) 1. and
2 amended to read:

3 71.47 (1dx) (e) 1. Administration. Section 71.28 (4) (e) to (h), as it applies to
4 the credit under s. 71.28 (4), applies to the credit under this subsection. Subsection
5 (1dj) (c), as it applies to the credit under sub. (1dj), applies to the credit under this
6 subsection. Claimants shall include with their returns a copy of their certification
7 for tax benefits and a copy of the department of commerce's verification of their
8 expenses.

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.

9 SECTION 56. 71.47 (1dx) (e) 2. of the statutes is created to read:

10 71.47 (1dx) (e) 2. The credit under this subsection may not be claimed by
11 partnerships, limited liability companies and tax-option corporations but the
12 eligibility for, and the amount of, that credit shall be determined on the basis of their
13 economic activity, not that of their shareholders, partners or members. The
14 corporation, partnership or limited liability company shall compute the amount of
15 credit that may be claimed by each of its shareholders, partners or members and
16 shall provide that information to each of its shareholders, partners or members.
17 That credit may be claimed by partners, members of limited liability companies and
18 shareholders of tax-option corporations in proportion to their ownership interests.

19 SECTION 57. 71.49 (1) (eb) of the statutes is repealed.

20 SECTION 58. 71.49 (1) (ec) of the statutes is repealed.

21 SECTION 59. 71.49 (1) (eg) of the statutes is repealed.

22 SECTION 60. 71.49 (1) (eh) of the statutes is repealed.

23 SECTION 61. 71.49 (1) (ej) of the statutes is repealed.

24 SECTION 62. 71.49 (1) (ek) of the statutes is repealed.

*Direct
11-18*

1 SECTION 63. 73.03 (35) of the statutes is amended to read:

2 73.03 (35) To deny a portion of a credit claimed under s. 71.07 (2dd), (2de), (2di),
3 (2dj), (2dL), (2dm), (2dr), (2ds), or (2dx), 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm),
4 (1ds), (1dx), or (4) (am), 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), or
5 (4) (am), or 76.636 if granting the full amount claimed would violate a requirement
6 under s. 238.385 or s. 560.785, 2009 stats., or would bring the total of the credits
7 granted to that claimant under all of those subsections over the limit for that
8 claimant under s. 238.368, 238.395 (2) (b), or 238.397 (5) (b) or s. 560.768, 2009 stats.,
9 s. 560.795 (2) (b), 2009 stats., or s. 560.797 (5) (b), 2009 stats.

History: 1971 c. 40, 215; 1973 c. 90; 1975 c. 39; 1977 c. 143; 1977 c. 196 s. 130 (7); 1977 c. 313; 1979 c. 34; 1979 c. 110 s. 60 (13); 1979 c. 221, 350; 1981 c. 20; 1981 c. 79 s. 18; 1983 a. 275 s. 15 (4); 1983 a. 524; 1983 a. 538 s. 269 (3); 1985 a. 12, 29, 273; 1987 a. 4, 27, 186; 1987 a. 312 s. 17; 1987 a. 328, 378, 399; 1989 a. 31; 1989 a. 56 s. 259; 1989 a. 74, 335; 1991 a. 39, 219, 313, 316; 1993 a. 16, 112, 205, 490; 1995 a. 27 ss. 3434g to 3440m, 9145 (1); 1995 a. 209, 233; 1997 a. 27, 35, 191, 237, 252; 1999 a. 9, 31, 185; 2001 a. 16, 44, 104, 107, 109; 2003 a. 33, 127; 2005 a. 25, 259; 2007 a. 20, 86; 2009 a. 2, 28, 180, 401; 2011 a. 10, 32, 257; 2013 a. 20, 54.

10 SECTION 64. 76.636 (1) (c) of the statutes is amended to read:

11 76.636 (1) (c) "Environmental remediation" means removal or containment of
12 environmental pollution, as defined in s. 299.01 (4), and restoration of soil or
13 groundwater that is affected by environmental pollution, as defined in s. 299.01 (4),
14 in a brownfield if that removal, containment, or restoration fulfills the requirement
15 under s. 71.47 (1de) (a) 1., 2013 stats., unless an investigation of the property
16 determines that remediation is required and that remediation is not undertaken.

History: 2005 a. 259; 2007 a. 20, 97; 2009 a. 180; 2011 a. 32; 2013 a. 20.

17 SECTION 65. 238.12 (1) of the statutes is amended to read:

18 238.12 (1) In this section, "tax benefits" means the credits under ss. 71.07 (2dd),
19 (2de), (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), and (3t), 71.28 (1dd), (1de),
20 (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (3g), and (3t), 71.47 (1dd), (1de), (1di), (1dj),
21 (1dL), (1dm), (1ds), (1dx), (3g), and (3t), and 76.636.

History: 2005 a. 25, 259; 2011 a. 32 s. 3327; Stat. 2011 s. 238.12.

22 SECTION 66. 238.23 (1) of the statutes is amended to read:

Insert 12-16

1 238.23 (1) In this section, "tax credit" means a credit under s. 71.07 (~~2di~~), (2dm),
2 (2dx), or (3g), 71.28 (~~1di~~), (1dm), (1dx), or (3g), or 71.47 (~~1di~~), (1dm), (1dx), or (3g).

3 ~~History:~~ 2001 a. 16, 104; 2007 a. 183; 2009 a. 2; 2011 a. 32 s. 3448; Stats. 2011 s. 238.23.

3 **SECTION 67.** 238.23 (4) (b) of the statutes is amended to read:

4 238.23 (4) (b) The corporation shall annually verify information submitted to
5 the corporation under ss. 71.07 (~~2di~~), (2dm), (2dx), and (3g), 71.28 (~~1di~~), (1dm), (1dx),
6 and (3g), and 71.47 (~~1di~~), (1dm), (1dx), and (3g).

7 ~~History:~~ 2001 a. 16, 104; 2007 a. 183; 2009 a. 2; 2011 a. 32 s. 3448; Stats. 2011 s. 238.23.

7 **SECTION 68.** 238.30 (7) (b) 1. of the statutes is amended to read:

8 238.30 (7) (b) 1. Except as provided in subd. 2., in s. 238.395, "tax benefits"
9 means the ~~development zones investment credit under ss. 71.07 (~~2di~~), 71.28 (~~1di~~),~~
10 ~~and 71.47 (~~1di~~)~~ and the development zones credit under ss. 71.07 (2dx), 71.28 (1dx),
11 71.47 (1dx), and 76.636. With respect to the development opportunity zones under
12 s. 238.395 (1) (e) and (f), "tax benefits" also means the development zones capital
13 investment credit under ss. 71.07 (2dm), 71.28 (1dm), and 71.47 (1dm).

14 ~~History:~~ 1987 a. 328, 411; 1991 a. 39; 1995 a. 27; 2009 a. 2; 1997 a. 27; 1999 a. 9; 2001 a. 16; 2005 a. 259; 2009 a. 2, 28; 2011 a. 32 ss. 3408 to 3409; Stats. 2011 s. 238.30; 2011
a. 37 s. 1; 2013 a. 20; 2013 a. 166 s. 58; 2013 a. 168.

14 **SECTION 69.** 238.395 (3) (d) of the statutes is amended to read:

15 238.395 (3) (d) The corporation annually shall verify information submitted to
16 the corporation under s. 71.07 (~~2di~~), (2dm), or (2dx), 71.28 (~~1di~~), (1dm), or (1dx), 71.47
17 (~~1di~~), (1dm), or (1dx), or 76.636.

18 ~~History:~~ 1993 a. 232; 1995 a. 2; 1995 a. 27 ss. 6936p, 6936r, 9130 (4); 1997 a. 3, 27; 1999 a. 9, 32; 2001 a. 16, 104; 2003 a. 33; 2005 a. 259; 2007 a. 20; 2009 a. 28; 2011
a. 32 s. 3434; Stats. 2011 s. 238.395; 2011 a. 37 ss. 2 to 6; 2013 a. 166 ss. 52, 53, 59, 76.

(END)

Current 2-8

Section #. 71.05 (6) (b) 11. of the statutes is amended to read:

repealed.

Repeal? - yes

71.05 (6) (b) 11. The amount of recapture under s. 71.07 (2di) (e).

~~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.~~

Insert 4-15

Section #. 71.07 (2dx) (b) 4. and 5. of the statutes are amended to read:

71.07 (2dx) (b) 4. The amount determined by multiplying the amount determined under s. 238.385 (1) (bm) or s. 560.785 (1) (bm), 2009 stats., by the number of full-time jobs retained, as provided in the rules under s. 238.385 or s. 560.785, 2009 stats., ~~excluding jobs for which a credit has been claimed under sub. (2dj);~~ in an enterprise development zone under s. 238.397 or s. 560.797, 2009 stats., and for which significant capital investment was made and by then subtracting the subsidies paid under s. 49.147 (3) (a) for those jobs.

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

71.07 (2dx) (b) 5

(b) 5. The amount determined by multiplying the amount determined under s. 238.385 (1) (c) or s. 560.785 (1) (c), 2009 stats., by the number of full-time jobs retained, as provided in the rules under s. 238.385 or s. 560.785, 2009 stats., ~~excluding jobs for which a credit has been claimed under sub. (2dj);~~ in a development zone and not filled by a member of a targeted group and by then subtracting the subsidies paid under s. 49.147 (3) (a) for those jobs.

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;

Current 5-12

Section #. 71.07 (4k) (b) 1, 2, and 3. of the statutes are amended to read:

71.07 (4k) (b) 1. Subject to the limitations provided in this subsection, and except as provided in subds. 2. and 3., for taxable years beginning after December 31, 2012, an individual, a partner of a partnership, a shareholder of a tax-option corporation, or a member of a limited liability company may claim a credit against the tax imposed under s. 71.02 or 71.08, as allocated under par. (d), an amount equal to 5 percent of the amount obtained by subtracting from the individual's, partnership's, tax-option corporation's, or limited liability company's qualified research expenses, as defined in section 41 of the Internal Revenue Code, except that "qualified research expenses" includes only expenses incurred by the individual, partnership, tax-option corporation, or the limited liability company, incurred for research conducted in this state for the taxable year, except that a taxpayer may elect the alternative computation under section 41 (c) (4) of the Internal Revenue Code and that election applies until the department permits its revocation, except as provided in par. (c), and except that "qualified research expenses" does not include compensation used in computing the credit under ~~subs. (2dj) and (2dx)~~, ^{sub.} the entity's base amount, as defined in section 41 (c) of the Internal Revenue Code, except that gross receipts used in calculating the base amount means gross receipts from sales attributable to Wisconsin under ss. 71.04 (7) (b) 1. and 2., (df), (dh), (dj), and (dk). Section 41 (h) of the Internal Revenue Code does not apply to the credit under this subdivision.

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.) SECTION #. 71.07(4k)(b) 2. of the statutes is amended to read:

71.07(4k)(b) 2. For taxable years beginning after December 31, 2012, an individual, a partner of a partnership, a shareholder of a tax-option corporation, or a member of a limited liability company may claim a credit against the tax imposed under s. 71.02, as allocated under par. (d), an amount equal to 10 percent of the amount obtained by subtracting from the individual's, partnership's, tax-option corporation's, or limited liability company's qualified research expenses, as defined in section 41 of the Internal Revenue Code, except that "qualified research expenses" includes only expenses incurred by the individual, partnership, tax-option corporation, or limited liability company for research related to designing internal combustion engines for vehicles, including expenses related to designing vehicles that are powered by such engines and improving production processes for such engines and vehicles, incurred for research conducted in this state for the taxable year, except that a taxpayer may elect the alternative computation under section 41 (c) (4) of the Internal Revenue Code and that election applies until the department permits its revocation, except as provided in par. (c), and except that "qualified research expenses" does not include compensation used in computing the credit under ~~subs. (2d) and (2dx)~~ ^{sub.} (2dx), the entity's base amount, as defined in section 41 (c) of the Internal Revenue Code, except that gross receipts used in calculating the base amount means gross receipts from sales attributable to Wisconsin under ss. 71.04 (7) (b) 1. and 2., (df), (dh), (dj), and (dk). Section 41 (h) of the Internal Revenue Code does not apply to the credit under this subdivision.

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)

71.07 (4k)(b)3. For taxable years beginning after December 31, 2012, an individual, a partner of a partner-

ship, a shareholder of a tax-option corporation, or a member of a limited liability company may claim a credit against the tax imposed under s. 71.02, as allocated under par. (d), an amount equal to 10 percent of the amount obtained by subtracting from the individual's, partnership's, tax-option corporation's, or limited liability company's qualified research expenses, as defined in section 41 of the Internal Revenue Code, except that "qualified research expenses" includes only expenses incurred by the individual, partnership, tax-option corporation, or limited liability company for research related to the design and manufacturing of energy efficient lighting systems, building automation and control systems, or automotive batteries for use in hybrid-electric vehicles, that reduce the demand for natural gas or electricity or improve the efficiency of its use, incurred for research conducted in this state for the taxable year, except that a taxpayer may elect the alternative computation under section 41 (c) (4) of the Internal Revenue Code and that election applies until the department permits its revocation, except as provided in par. (c), and except that "qualified research expenses" does not include compensation used in computing the credit under ~~subs. (2dj)~~ and ^{sub.} (2dx), the entity's base amount, as defined in section 41 (c) of the Internal Revenue Code, except that gross receipts used in calculating the base amount means gross receipts from sales attributable to Wisconsin under ss. 71.04 (7) (b) 1. and 2., (df), (dh), (dj), and (dk). Section 41 (h) of the Internal Revenue Code does not apply to the credit under this subdivision.

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;

Repeal? - yes

Insert 6-5

Section #. 71.10 (4) (gm) of the statutes is amended to read: *repealed.*

~~71.10 (4) (gm) Development zones research credit under s. 71.07 (2dr).~~

~~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.~~

insert 6-15

Repeal?

ya

Section #. 71.26 (2) (a) 1. of the statutes is amended to read:

repealed.

71.26 (2) (a) 1. Minus the amount of recapture under s. 71.28 (1d).

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; 2013 a. 20, 145; 2013 a. 165 ss. 46, 115.

Insert 7-2

Section #. 71.26^{2x} (3) (n) of the statutes is amended to read:

71.26 **(3)** (n) Sections 381, 382 and 383 (relating to carry-overs in certain corporate acquisitions) are modified so that they apply to losses under sub. (4) and credits under s. 71.28 ~~(1d), (1e), (1f), (1g), (1h), (1i), (1j), (1k), (1l), (1m), (1n), (1o), (1p), (1q), (1r), (1s), (1t), (1u), (1v), (1w), (1x), (1y), (1z), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12), (13), (14), (15), (16), (17), (18), (19), (20), (21), (22), (23), (24), (25), (26), (27), (28), (29), (30), (31), (32), (33), (34), (35), (36), (37), (38), (39), (40), (41), (42), (43), (44), (45), (46), (47), (48), (49), (50), (51), (52), (53), (54), (55), (56), (57), (58), (59), (60), (61), (62), (63), (64), (65), (66), (67), (68), (69), (70), (71), (72), (73), (74), (75), (76), (77), (78), (79), (80), (81), (82), (83), (84), (85), (86), (87), (88), (89), (90), (91), (92), (93), (94), (95), (96), (97), (98), (99), (100), (101), (102), (103), (104), (105), (106), (107), (108), (109), (110), (111), (112), (113), (114), (115), (116), (117), (118), (119), (120), (121), (122), (123), (124), (125), (126), (127), (128), (129), (130), (131), (132), (133), (134), (135), (136), (137), (138), (139), (140), (141), (142), (143), (144), (145), (146), (147), (148), (149), (150), (151), (152), (153), (154), (155), (156), (157), (158), (159), (160), (161), (162), (163), (164), (165), (166), (167), (168), (169), (170), (171), (172), (173), (174), (175), (176), (177), (178), (179), (180), (181), (182), (183), (184), (185), (186), (187), (188), (189), (190), (191), (192), (193), (194), (195), (196), (197), (198), (199), (200), (201), (202), (203), (204), (205), (206), (207), (208), (209), (210), (211), (212), (213), (214), (215), (216), (217), (218), (219), (220), (221), (222), (223), (224), (225), (226), (227), (228), (229), (230), (231), (232), (233), (234), (235), (236), (237), (238), (239), (240), (241), (242), (243), (244), (245), (246), (247), (248), (249), (250), (251), (252), (253), (254), (255), (256), (257), (258), (259), (260), (261), (262), (263), (264), (265), (266), (267), (268), (269), (270), (271), (272), (273), (274), (275), (276), (277), (278), (279), (280), (281), (282), (283), (284), (285), (286), (287), (288), (289), (290), (291), (292), (293), (294), (295), (296), (297), (298), (299), (300), (301), (302), (303), (304), (305), (306), (307), (308), (309), (310), (311), (312), (313), (314), (315), (316), (317), (318), (319), (320), (321), (322), (323), (324), (325), (326), (327), (328), (329), (330), (331), (332), (333), (334), (335), (336), (337), (338), (339), (340), (341), (342), (343), (344), (345), (346), (347), (348), (349), (350), (351), (352), (353), (354), (355), (356), (357), (358), (359), (360), (361), (362), (363), (364), (365), (366), (367), (368), (369), (370), (371), (372), (373), (374), (375), (376), (377), (378), (379), (380), (381), (382), (383), (384), (385), (386), (387), (388), (389), (390), (391), (392), (393), (394), (395), (396), (397), (398), (399), (400), (401), (402), (403), (404), (405), (406), (407), (408), (409), (410), (411), (412), (413), (414), (415), (416), (417), (418), (419), (420), (421), (422), (423), (424), (425), (426), (427), (428), (429), (430), (431), (432), (433), (434), (435), (436), (437), (438), (439), (440), (441), (442), (443), (444), (445), (446), (447), (448), (449), (450), (451), (452), (453), (454), (455), (456), (457), (458), (459), (460), (461), (462), (463), (464), (465), (466), (467), (468), (469), (470), (471), (472), (473), (474), (475), (476), (477), (478), (479), (480), (481), (482), (483), (484), (485), (486), (487), (488), (489), (490), (491), (492), (493), (494), (495), (496), (497), (498), (499), (500), (501), (502), (503), (504), (505), (506), (507), (508), (509), (510), (511), (512), (513), (514), (515), (516), (517), (518), (519), (520), (521), (522), (523), (524), (525), (526), (527), (528), (529), (530), (531), (532), (533), (534), (535), (536), (537), (538), (539), (540), (541), (542), (543), (544), (545), (546), (547), (548), (549), (550), (551), (552), (553), (554), (555), (556), (557), (558), (559), (560), (561), (562), (563), (564), (565), (566), (567), (568), (569), (570), (571), (572), (573), (574), (575), (576), (577), (578), (579), (580), (581), (582), (583), (584), (585), (586), (587), (588), (589), (590), (591), (592), (593), (594), (595), (596), (597), (598), (599), (600), (601), (602), (603), (604), (605), (606), (607), (608), (609), (610), (611), (612), (613), (614), (615), (616), (617), (618), (619), (620), (621), (622), (623), (624), (625), (626), (627), (628), (629), (630), (631), (632), (633), (634), (635), (636), (637), (638), (639), (640), (641), (642), (643), (644), (645), (646), (647), (648), (649), (650), (651), (652), (653), (654), (655), (656), (657), (658), (659), (660), (661), (662), (663), (664), (665), (666), (667), (668), (669), (670), (671), (672), (673), (674), (675), (676), (677), (678), (679), (680), (681), (682), (683), (684), (685), (686), (687), (688), (689), (690), (691), (692), (693), (694), (695), (696), (697), (698), (699), (700), (701), (702), (703), (704), (705), (706), (707), (708), (709), (710), (711), (712), (713), (714), (715), (716), (717), (718), (719), (720), (721), (722), (723), (724), (725), (726), (727), (728), (729), (730), (731), (732), (733), (734), (735), (736), (737), (738), (739), (740), (741), (742), (743), (744), (745), (746), (747), (748), (749), (750), (751), (752), (753), (754), (755), (756), (757), (758), (759), (760), (761), (762), (763), (764), (765), (766), (767), (768), (769), (770), (771), (772), (773), (774), (775), (776), (777), (778), (779), (780), (781), (782), (783), (784), (785), (786), (787), (788), (789), (790), (791), (792), (793), (794), (795), (796), (797), (798), (799), (800), (801), (802), (803), (804), (805), (806), (807), (808), (809), (810), (811), (812), (813), (814), (815), (816), (817), (818), (819), (820), (821), (822), (823), (824), (825), (826), (827), (828), (829), (830), (831), (832), (833), (834), (835), (836), (837), (838), (839), (840), (841), (842), (843), (844), (845), (846), (847), (848), (849), (850), (851), (852), (853), (854), (855), (856), (857), (858), (859), (860), (861), (862), (863), (864), (865), (866), (867), (868), (869), (870), (871), (872), (873), (874), (875), (876), (877), (878), (879), (880), (881), (882), (883), (884), (885), (886), (887), (888), (889), (890), (891), (892), (893), (894), (895), (896), (897), (898), (899), (900), (901), (902), (903), (904), (905), (906), (907), (908), (909), (910), (911), (912), (913), (914), (915), (916), (917), (918), (919), (920), (921), (922), (923), (924), (925), (926), (927), (928), (929), (930), (931), (932), (933), (934), (935), (936), (937), (938), (939), (940), (941), (942), (943), (944), (945), (946), (947), (948), (949), (950), (951), (952), (953), (954), (955), (956), (957), (958), (959), (960), (961), (962), (963), (964), (965), (966), (967), (968), (969), (970), (971), (972), (973), (974), (975), (976), (977), (978), (979), (980), (981), (982), (983), (984), (985), (986), (987), (988), (989), (990), (991), (992), (993), (994), (995), (996), (997), (998), (999), (1000)~~, (1dm), (1dx), (3), (4), (4m), and (5) instead of to federal credits and federal net operating losses.

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; 2013 a. 20, 145; 2013 a. 165 ss. 46, 115.

Insert 8-10

Section #. 71.28 (1dx) (b) 4. and 5. of the statutes are amended to read: ^{is}

71.28 (1dx) (b) 4. The amount determined by multiplying the amount determined under s. 238.385 (1) (bm) or s. 560.785 (1) (bm), 2009 stats., by the number of full-time jobs retained, as provided in the rules under s. 238.385 or s. 560.785, 2009 stats., ~~excluding jobs for which a credit has been claimed under sub. (1d)~~, in an enterprise development zone under s. 238.397 or s. 560.797, 2009 stats., and for which significant capital investment was made and by then subtracting the subsidies paid under s. 49.147 (3) (a) for those jobs.

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.

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

or s. 560.785 (1) (c), 2009 stats., by the number of full-time jobs retained, as provided in the rules under s. 238.385 or s. 560.785, 2009 stats., ~~excluding jobs for which a credit has been claimed under sub. (1d)~~, in a development zone and not filled by a member of a targeted group and by then subtracting the subsidies paid under s. 49.147 (3) (a) for those jobs.

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.

Insert 9-5

10/3

Section #. 71.28 (4) (ad) 1, 2, and 3 of the statutes are amended to read:

71.28 (4) (ad) 1. Except as provided in subds. 2. and 3., any corporation may credit against taxes otherwise due under this chapter an amount equal to 5 percent of the amount obtained by subtracting from the corporation's qualified research expenses, as defined in section 41 of the Internal Revenue Code, except that "qualified research expenses" includes only expenses incurred by the claimant, incurred for research conducted in this state for the taxable year, except that a taxpayer may elect the alternative computation under section 41 (c) (4) of the Internal Revenue Code and that election applies until the department permits its revocation, except as provided in par. (af), and except that "qualified research expenses" does not include compensation used in computing the credit under subs. (1dj) and ^{sub.}(1dx), the corporation's base amount, as defined in section 41 (c) of the Internal Revenue Code, except that gross receipts used in calculating the base amount means gross receipts from sales attributable to Wisconsin under s. 71.25 (9) (b) 1. and 2., (df) 1. and 2., (dh) 1., 2., and 3., (dj), and (dk). Section 41 (h) of the Internal Revenue Code does not apply to the credit under this paragraph.

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.

SECTION #. 71.28 (4) (ad) 2. of the statutes is amended to read:

71.28(4)(ad) 2
8

For taxable years beginning after June 30, 2007, any corporation may credit against taxes otherwise due under this chapter an amount equal to 10 percent of the amount obtained by subtracting from the corporation's qualified research expenses, as defined in section 41 of the Internal Revenue Code, except that "qualified research expenses" includes only expenses incurred by the claimant for research related to designing internal combustion engines for

vehicles, including expenses related to designing vehicles that are powered by such engines and improving production processes for such engines and vehicles, incurred for research conducted in this state for the taxable year, except that a taxpayer may elect the alternative computation under section 41 (c) (4) of the Internal Revenue Code and that election applies until the department permits its revocation, except as provided in par. (af), and except that “qualified research expenses” does not include compensation used in computing the credit under ~~subs. (1dj) and~~ ^{sub.} (1dx), the corporation’s base amount, as defined in section 41 (c) of the Internal Revenue Code, except that gross receipts used in calculating the base amount means gross receipts from sales attributable to Wisconsin under s. 71.25 (9) (b) 1. and 2., (df) 1. and 2., (dh) 1., 2., and 3., (dj), and (dk). Section 41 (h) of the Internal Revenue Code does not apply to the credit under this paragraph.

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.

^{SECTION 71.28 (4) (ad) 3. of the statutes is amended to read:}
^{71.28 (4) (ad) 3.} For taxable years beginning after June 30, 2007, any corporation may credit against taxes otherwise due under this chapter an amount equal to 10 percent of the amount obtained by subtracting from the corporation’s qualified research expenses, as defined in section 41 of the Internal Revenue Code, except that “qualified research expenses” includes only expenses incurred by the claimant for research related to the design and manufacturing of energy efficient lighting systems, building automation and control systems, or automotive batteries for use in hybrid–electric vehicles, that reduce the demand for natural gas or electricity or improve the efficiency of its use, incurred for research conducted in this state for the taxable year, except that a taxpayer may elect the alternative computation under section 41 (c) (4) of the Internal Revenue Code and that election applies until the department permits its revocation, except as provided

in par. (af), and except that “qualified research expenses” does not include compensation used in computing the credit under subs. (1dj) and ^{sub.} (1dx), the corporation’s base amount, as defined in section 41 (c) of the Internal Revenue Code, except that gross receipts used in calculating the base amount means gross receipts from sales attributable to Wisconsin under s. 71.25 (9) (b) 1. and 2., (df), 1. and 2., (dh) 1., 2., and 3., (dj), and (dk). Section 41 (h) of the Internal Revenue Code does not apply to the credit under this paragraph.

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.

x insert 9-5

2 of 3

Section #. 71.28 (4) (am) 1. of the statutes is amended to read:

71.28 (4) (am) 1. In addition to the credit under par. (ad), any corporation may credit against taxes otherwise due under this chapter an amount equal to 5 percent of the amount obtained by subtracting from the corporation's qualified research expenses, as defined in section 41 of the Internal Revenue Code, except that "qualified research expenses" include only expenses incurred by the claimant in a development zone under subch. II of ch. 238 or subch. VI of ch. 560, 2009 stats., except that a taxpayer may elect the alternative computation under section 41 (c) (4) of the Internal Revenue Code and that election applies until the department permits its revocation and except that "qualified research expenses" ^{does} ~~do not include compensation used in computing the credit under sub. (1di) nor~~ research expenses incurred before the claimant is certified for tax benefits under s. 238.365 (3) or s. 560.765 (3), 2009 stats., the corporation's base amount, as defined in section 41 (c) of the Internal Revenue Code, in a development zone, ^{or} except that gross receipts used in calculating the base amount means gross receipts from sales attributable to Wisconsin under s. 71.25 (9) (b) 1. and 2., (df) 1. and 2., (dh) 1., 2., and 3., (dj), and (dk) and research expenses used in calculating the base amount include research expenses incurred before the claimant is certified for tax benefits under s. 238.365 (3) or s. 560.765 (3), 2009 stats., in a development zone, if the claimant submits with the claimant's return a copy of the claimant's certification for tax benefits under s. 238.365 (3) or s. 560.765 (3), 2009 stats., and a statement from the department of commerce or the Wisconsin Economic Development Corporation verifying the claimant's qualified research expenses for research conducted exclusively in a development zone. The rules under s. 73.03 (35) apply to the credit under this subdivision. ~~The rules under sub. (1di) (f) and (g) as they apply to the credit under that subsection apply to claims under~~

or
yes

~~this subdivision.~~ Section 41 (h) of the Internal Revenue Code does not apply to the credit under this subdivision.

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.

Amend 9-5

3/3

X

Section #. 71.28 (4m) (a) of the statutes is amended to read:

71.28 (4m) (a) *Definition.* In this subsection, “qualified research expenses” means qualified research expenses as defined in section 41 of the Internal Revenue Code, except that “qualified research expenses” includes only expenses incurred by the claimant for research conducted in this state for the taxable year and except that “qualified research expenses” ~~do~~^{does} not include compensation used in computing the ~~credits~~^{credit} under ~~subs. (1d) and (1dx).~~^{sub. (1dx).}

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.

insert 9-16 is

Section #. 71.45 (2) (a) 10. and 11. of the statutes are amended to read:

(1dm)

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), (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).

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.

repeal?
yes

11. By subtracting from federal taxable income the amount of any recapture under s. 71.47 (1di) (e).

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.

rec # up; 71.45(2)(a) 11.

Insert 10-22
x x
is

Section #. 71.47 (1dx) (b) 4. and 5. of the statutes are amended to read:

71.47 (1dx) (b) 4. The amount determined by multiplying the amount determined under s. 238.385 (1) (bm) or s. 560.785 (1) (bm), 2009 stats., by the number of full-time jobs retained, as provided in the rules under s. 238.385 or s. 560.785, 2009 stats., ~~excluding jobs for which a credit has been claimed under sub. (1d)~~; in an enterprise development zone under s. 238.397 or s. 560.797, 2009 stats., and for which significant capital investment was made and by then subtracting the subsidies paid under s. 49.147 (3) (a) for those jobs.

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.

SECTION #. 71.47 (1dx) (b) 5. of the statutes is amended to read:
71.47(1dx)(b) 5. The amount determined by multiplying the amount determined under s. 238.385 (1) (c)

⑧[↑] or s. 560.785 (1) (c), 2009 stats., by the number of full-time jobs retained, as provided in the rules under s. 238.385 or s. 560.785, 2009 stats., ~~excluding jobs for which a credit has been claimed under sub. (1d)~~; in a development zone and not filled by a member of a targeted group and by then subtracting the subsidies paid under s. 49.147 (3) (a) for those jobs.

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.

Insert 11-18
1/3
is

Section #. 71.47 (4) (ad) 1. 2. and 3. of the statutes are amended to read:

71.47 (4) (ad) 1. Except as provided in subds. 2. and 3., any corporation may credit against taxes otherwise due under this chapter an amount equal to 5 percent of the amount obtained by subtracting from the corporation's qualified research expenses, as defined in section 41 of the Internal Revenue Code, except that "qualified research expenses" includes only expenses incurred by the claimant, incurred for research conducted in this state for the taxable year, except that a taxpayer may elect the alternative computation under section 41 (c) (4) of the Internal Revenue Code and that election applies until the department permits its revocation, except as provided in par. (af), and except that "qualified research expenses" does not include compensation used in computing the credit under ~~subs. (tdj) and (tdx)~~ ^{sub.} (tdx), the corporation's base amount, as defined in section 41 (c) of the Internal Revenue Code, except that gross receipts used in calculating the base amount means gross receipts from sales attributable to Wisconsin under s. 71.25 (9) (b) 1. and 2., (df) 1. and 2., (dh) 1., 2., and 3., (dj), and (dk). Section 41 (h) of the Internal Revenue Code does not apply to the credit under this paragraph.

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.

SECTION #. 71.47 (4) (ad) 2. of the statutes is amended to read:

71.47(4)(ad)2. For taxable years beginning after June 30, 2007, any corporation may credit against taxes otherwise due under this chapter an amount equal to 10 percent of the amount obtained by subtracting from the corporation's qualified research expenses, as defined in section 41 of the Internal Revenue Code, except that "qualified research expenses" includes only expenses incurred by the claimant for research related to designing internal combustion engines for

vehicles, including expenses related to designing vehicles that are powered by such engines and improving production processes for such engines and vehicles, incurred for research conducted in this state for the taxable year, except that a taxpayer may elect the alternative computation under section 41 (c) (4) of the Internal Revenue Code and that election applies until the department permits its revocation, except as provided in par. (af), and except that “qualified research expenses” does not include compensation used in computing the credit under ~~subs. (1dj) and~~ ^{sub.} (1dx), the corporation’s base amount, as defined in section 41 (c) of the Internal Revenue Code, except that gross receipts used in calculating the base amount means gross receipts from sales attributable to Wisconsin under s. 71.25 (9) (b) 1. and 2., (df) 1. and 2., (dh) 1., 2., and 3., (dj), and (dk). Section 41 (h) of the Internal Revenue Code does not apply to the credit under this paragraph.

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.

SECTION 71.47 (4) (ad) 3. of the statutes is amended to read:
71.47 (4) (ad) 3. For taxable years beginning after June 30, 2007, any corporation may credit against taxes otherwise due under this chapter an amount equal to 10 percent of the amount obtained by subtracting from the corporation’s qualified research expenses, as defined in section 41 of the Internal Revenue Code, except that “qualified research expenses” includes only expenses incurred by the claimant for research related to the design and manufacturing of energy efficient lighting systems, building automation and control systems, or automotive batteries for use in hybrid–electric vehicles, that reduce the demand for natural gas or electricity or improve the efficiency of its use, incurred for research conducted in this state for the taxable year, except that a taxpayer may elect the alternative computation under section 41 (c) (4) of the Internal Revenue Code and that election applies until the department permits its revocation, except as provided

in par. (af), and except that “qualified research expenses” does not include compensation used in computing the credit under ~~subs. (1dj) and (1dx)~~ ^{sub.} (1dx), the corporation’s base amount, as defined in section 41 (c) of the Internal Revenue Code, except that gross receipts used in calculating the base amount means gross receipts from sales attributable to Wisconsin under s. 71.25 (9) (b) 1. and 2., (df) 1. and 2., (dh) 1., 2., and 3., (dj), and (dk). Section 41 (h) of the Internal Revenue Code does not apply to the credit under this paragraph.

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.

Insert 11-18

2 of 3

Section #. 71.47 (4) (am) of the statutes is amended to read:

71.47 (4) (am) *Development zone additional research credit.* In addition to the credit under par. (ad), any corporation may credit against taxes otherwise due under this chapter an amount equal to 5 percent of the amount obtained by subtracting from the corporation's qualified research expenses, as defined in section 41 of the Internal Revenue Code, except that "qualified research expenses" include only expenses incurred by the claimant in a development zone under subch. II of ch. 238 or subch. VI of ch. 560, 2009 stats., except that a taxpayer may elect the alternative computation under section 41 (c) (4) of the Internal Revenue Code and that election applies until the department permits its revocation and except that "qualified research expenses" ~~do not include compensation used in computing the credit under sub. (1d) nor~~ ^{does} research expenses incurred before the claimant is certified for tax benefits under s. 238.365 (3) or s. 560.765 (3), 2009 stats., ^{or} the corporation's base amount, as defined in section 41 (c) of the Internal Revenue Code, in a development zone, except that gross receipts used in calculating the base amount means gross receipts from sales attributable to Wisconsin under s. 71.25 (9) (b) 1. and 2., (df) 1. and 2., (dh) 1., 2., and 3., (dj), and (dk) and research expenses used in calculating the base amount include research expenses incurred before the claimant is certified for tax benefits under s. 238.365 (3) or s. 560.765 (3), 2009 stats., in a development zone, if the claimant submits with the claimant's return a copy of the claimant's certification for tax benefits under s. 238.365 (3) or s. 560.765 (3), 2009 stats., and a statement from the department of commerce or the Wisconsin Economic Development Corporation verifying the claimant's qualified research expenses for research conducted exclusively in a development zone. The rules under s. 73.03 (35) apply to the credit under this paragraph. ~~The rules under sub. (1d) (f) and (g) as they apply to the credit under that subsection apply to claims under this paragraph.~~ Section 41 (h) of the Internal Revenue Code does not apply to the credit under this paragraph. No credit may be claimed under

this paragraph for taxable years that begin on January 1, 1998, or thereafter. Credits under this paragraph for taxable years that begin before January 1, 1998, may be carried forward to taxable years that begin on January 1, 1998, or thereafter.

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.

Insert 11-18

3/3

Section #. 71.47 (4m) (a) of the statutes is amended to read:

71.47 (4m) (a) *Definition*. In this subsection, “qualified research expenses” means qualified research expenses as defined in section 41 of the Internal Revenue Code, except that “qualified research expenses” includes only expenses incurred by the claimant for research conducted in this state for the taxable year and except that “qualified research expenses” ~~do~~ ^{does} not include compensation used in computing the ~~credits~~ ^{credit} under ~~subs. (1d) and (1dx)~~ ^{sub.}.

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.

current 12-16

1 of 2

x
Section #. 76.636 (1) (e) (intro.) of the statutes is amended to read:

76.636 (1) (e) (intro.) "Member of a targeted group" means any of the following, if the person has been certified in the manner under s. 71.47 (1j) (am) 3. by a designated local agency, as defined in s. 71.47 (1j) (am) 2.

History: 2005 a. 259; 2007 a. 20, 97; 2009 a. 180; 2011 a. 32; 2013 a. 20.

↑ 2013 stats. ↓

↑ 2013 stats.

Insert 12-16 2 of 2
X X is

Section #. 76.636 (2) (d) and (e) of the statutes are amended to read:

76.636 (2) (d) The amount determined by multiplying the amount determined under s. 238.385 (1) (bm) or s. 560.785 (1) (bm), 2009 stats., by the number of full-time jobs retained, as provided in the rules under s. 238.385 or s. 560.785, 2009 stats., ~~excluding jobs for which a credit has been claimed under s. 71.47 (1dj);~~ in an enterprise development zone under s. 238.397 or s. 560.797, 2009 stats., and for which significant capital investment was made and by then subtracting the subsidies paid under s. 49.147 (3) (a) for those jobs.

History: 2005 a. 259; 2007 a. 20, 97; 2009 a. 180; 2011 a. 32; 2013 a. 20.

SECTION # 76.636 (2) (e) of the statutes is amended to read:
76.636 (2) (e)

(e) The amount determined by multiplying the amount determined under s. 238.385 (1) (c) or s. 560.785 (1) (c), 2009 stats., by the number of full-time jobs retained, as provided in the rules under s. 238.385 or s. 560.785, 2009 stats., ~~excluding jobs for which a credit has been claimed under s. 71.47 (1dj);~~ in a development zone and not filled by a member of a targeted group and by then subtracting the subsidies paid under s. 49.147 (3) (a) for those jobs.

History: 2005 a. 259; 2007 a. 20, 97; 2009 a. 180; 2011 a. 32; 2013 a. 20.