2017 DRAFTING REQUEST

Assembly Amendment (AA-AB(LRBx4105/1))

For:	**Adam Neylon (608) 266-5120**	Drafter:	**jkreye**
By:	**joe**	Secondary Drafters:	
Date:	**10/23/2017**	May Contact:	

Same as LRB: **a1427**

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

Pre Topic:

No specific pre topic given

Topic:

Eliminate deductions for moving expenses for businesses that move out of the state or the U.S.; DOR changes

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Instructions:

See attached

Drafting History:

Vers.	Drafted	Reviewed	Submitted	Jacketed	Required
/1	jkreye 10/23/2017	anienaja 10/23/2017	dwalker 10/23/2017	dwalker 10/23/2017	

FE Sent For: **<END>**

From:	Zapf, Joe
Sent:	Monday, October 23, 2017 2:43 PM
To:	Kreye, Joseph; LRB.Legal
Cc:	Henney, Cara; Domina, Katherine; Jolly, Marie; Sen.Bewley
Subject:	LRB 4105 simple amdt or sub request
Attachments:	201710231422.pdf

Importance: High

Joe or LRB Drafter:

I am looking to get a simple amendment or substitute amendment, which ever you think is best, drafted up for the moving expenses bill (attached has the changes requested) Reps Neylon & Taylor and Sens Feyen and Bewley authored recently.

These changes were brought to my attention by DOR and they make sense.

- Page 2 line 1, change "Van" to "Vehicle"
    - Some companies might rent a truck or semi or something else... this would cover all vehicles
- Because moving expenses (h) "loss on the sale of property in this state" is not deductible under section 162, remove all references to section 162 and just reference the "Internal Revenue Code"

Please let me know if you have questions.

Best,

Joe Zapf
Office of Rep. Adam Neylon
(608) 266-5120

2017 BILL

1   AN ACT *to create* 71.01 (8j), 71.05 (6) (a) 29., 71.21 (6), 71.26 (3) (e) 4., 71.34 (1k)

2   (o) and 71.45 (2) (a) 20. of the statutes; **relating to:** eliminating deductions for

3   moving expenses for businesses that move out of the state or out of the United

4   States.

Analysis by the Legislative Reference Bureau

Under current law, a business may deduct from its income or franchise tax liability all expenses that the business paid to move its operations from one location to another, including expenses paid to relocate outside the state. Under this bill, a business may not deduct expenses paid to move outside the state or outside the United States.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

5   SECTION 1. 71.01 (8j) of the statutes is created to read:

6   71.01 **(8j)** For purposes of ss. 71.05 (6) (a) 29., 71.21 (6), 71.26 (3) (e) 4., 71.34

7   (1k) (o), and 71.45 (2) (a) 20., "moving expenses" means all of the following:

Vehicle

1   (a) ~~Van~~ rentals.

2   (b) Storage rentals.

3   (c) Moving company expenses for packing, unpacking, and transportation.

4   (d) Consulting fees and surveys.

5   (e) Brokerage commissions or fees.

6   (f) Architecture, design, and remodeling expenses.

7   (g) Expenses paid or incurred to sell property in this state.

8   (h) Loss on the sale of property in this state.   *His not deductible under 164*

9   (i) Lease cancellation fees.

10   (j) Expenses paid or incurred for professional services, including legal services.

11   (k) Utility fees.

12   (L) Employee wages.

13   (m) Reimbursement of an employee's expenses.

14   (n) The cost of meals, lodging, and fuel.

15   (o) Mileage deductions for vehicle use.   *delete*

16   SECTION 2. 71.05 (6) (a) 29. of the statutes is created to read:

17   71.05 **(6)** (a) 29. The amount deducted under ~~section 162 of~~ the Internal

18   Revenue Code, as moving expenses, as defined in s. 71.01 (8j), paid or incurred during

19   the taxable year to move the taxpayer's business operation, in whole or in part, to a

20   location outside the state or outside the United States.

21   SECTION 3. 71.21 (6) of the statutes is created to read:

22   71.21 **(6)** A deduction under ~~section 162 of~~ the Internal Revenue Code for

23   moving expenses, as defined in s. 71.01 (8j), paid or incurred during the taxable year

24   to move the taxpayer's business operation, in whole or in part, to a location outside

25   the state or outside the United States is not allowed.

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JK:ahe
BILL .   **SECTION 4**

1   **SECTION 4.** 71.26 (3) (e) 4. of the statutes is created to read:

2   71.26 **(3)** (e) 4. So that moving expenses, as defined in s. 71.01 (8j), paid or

3 incurred during the taxable year to move the taxpayer's business operation, in whole

4 or in part, to a location outside the state or outside the United States may not be

5 deducted as provided ~~under section 162 of~~ *in* the Internal Revenue Code.

6   **SECTION 5.** 71.34 (1k) (o) of the statutes is created to read:

7   71.34 **(1k)** (o) An addition shall be made for any amount deducted ~~under section~~

8 ~~162 of~~ *pdt* the Internal Revenue Code as moving expenses, as defined in s. 71.01 (8j), paid

9 or incurred during the taxable year to move the taxpayer's business operation, in

10 whole or in part, to a location outside the state or outside the United States.

11   **SECTION 6.** 71.45 (2) (a) 20. of the statutes is created to read:

12   71.45 **(2)** (a) 20. By adding to federal taxable income any amount deducted

13 ~~under section 162 of~~ *in* the Internal Revenue Code as moving expenses, as defined in

14 s. 71.01 (8j), paid or incurred during the taxable year to move the taxpayer's business

15 operation, in whole or in part, to a location outside the state or outside the United

16 States.

17   **SECTION 7. Initial applicability.**

18   (1) This act first applies to taxable years beginning on January 1, 2018.

19   **(END)**

ASSEMBLY AMENDMENT ,

TO ASSEMBLY BILL (LRB-4105/1)

Today

10-23

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

2   **1.** Page 2, line 1: delete "Van" and substitute "Vehicle".

3   **2.** Page 2, line 17: delete "section 162 of".

4   **3.** Page 2, line 22: delete "section 162 of".

5   **4.** Page 3, line 5: delete "section 162 of".

6   **5.** Page 3, line 7: delete "section".

7   **6.** Page 3, line 8: delete "162 of".

8   **7.** Page 3, line 13: delete "section 162 of".

9   **(END)**