

Appendix A ... segment I

LEGISLATIVE REFERENCE BUREAU
DRAFTING HISTORY RESEARCH APPENDIX

☞ The drafting file for 2017 LRB-3907 (For: DOA)
has been copied/transferred to the drafting file for
2017 LRB-4050 (For: Gov. Office)



☞ Are These “Companion Bills” ?? ... No

RESEARCH APPENDIX -
PLEASE KEEP WITH THE DRAFTING FILE

☞ Request Made By: MPG

☞ Date: 07/26/2017

2017 DRAFTING REQUEST

Bill

For: **Administration 7-2872** Drafter: **mshovers**
 By: **Megan Cramer** Secondary Drafters: **jkreye**
 Date: **6/30/2017** **mgallagh**
zwyatt

Same as LRB:

May Contact:

Submit via email: **YES**
 Requester's email: **megan.cramer@wisconsin.gov**
 Carbon copy (CC) to: **Aaron.McKean@legis.wisconsin.gov**
konrad.paczuski@legis.wisconsin.gov
eric.mueller@legis.wisconsin.gov
marc.shovers@legis.wisconsin.gov
joseph.kreye@legis.wisconsin.gov
michael.gallagher@legis.wisconsin.gov
zachary.wyatt@legis.wisconsin.gov
elisabeth.shea@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Authorization for electronics and information technology manufacturing zone; changes to tax incremental financing (TIF)

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P1	jkreye 7/14/2017	eweiss 7/14/2017	lparisi 7/11/2017		State S&L
/P2	jkreye	eweiss	lparisi		State

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
	7/18/2017	7/14/2017	7/14/2017		S&L Tax Exempt
/P3	mkunkel 7/25/2017	wjackson 7/25/2017	lparisi 7/20/2017		State S&L Tax Exempt
/P4			lparisi 7/25/2017		State S&L Tax Exempt

FE Sent For:

<END>

Gallagher, Michael

From: Cramer, Megan J - DOA
Sent: Friday, July 07, 2017 11:52 AM
To: Wyatt, Zachary
Cc: Shovers, Marc; Gallagher, Michael; Kreye, Joseph
Subject: DOA Drafting - Electronics & IT Manufacturing Zone DNR Changes

All,

I'm looping Zach Wyatt in for some changes as it relates to DNR and DOT programs for the Enterprise and IT Manufacturing Zone bill that you are all working on. Below are drafting instructions for the DNR portion. I hope to have the DOT piece to you by the end of the day. Please call or email with any questions.

WEPA Exemption:

- No Environmental Impact Statement Required.
 - A decision to issue any permit or approval for any activity within the Electronics and Information Technology Manufacturing Zone and the surrounding county, as defined in XXXXXXXXX (new zone statutory reference) does not constitute a major state action under s. 1.11(2).

Waterway and Wetlands Exemption:

- Exemption from Waterway and Wetland Permitting.
 - No permit or approval is required under ss.30.12, 30.123, 30.19, 30.195, or 281.36 for any activity within the Electronics and Information Technology Manufacturing Zone and the surrounding county as defined in XXXXXXXXX (new zone statutory reference).

Thanks,
Megan

Megan Cramer
Department of Administration
Legislative Liaison
608-267-2872

Gallagher, Michael

From: Cramer, Megan J - DOA
Sent: Friday, July 07, 2017 8:52 AM
To: Gallagher, Michael; Shovers, Marc
Cc: Kreye, Joseph
Subject: RE: Drafting Request - DOA

Just to clarify, everyone, looking back at what I sent you yesterday regarding the new zone and tax credits...

The sections I sent to be deleted and amended are assuming 238.399 and 71.28(3w) are copied into new sections for the Electronics and Information Technology Manufacturing Zone and related tax credits. 238.399 and 71.28(3w) should not be changed.

Sorry for any confusion!

From: Gallagher, Mike - LEGIS [mailto:michael.gallagher@legis.wisconsin.gov]
Sent: Friday, July 07, 2017 7:50 AM
To: Cramer, Megan J - DOA <Megan.Cramer@wisconsin.gov>; Shovers, Marc - LEGIS <marc.shovers@legis.wisconsin.gov>
Cc: Kreye, Joseph A - LEGIS <joseph.kreye@legis.wisconsin.gov>
Subject: RE: Drafting Request - DOA

Megan:

I am bringing Joe Kreye in on this because he will be drafting the ch. 71 provisions. Is it your intent to repeal the enterprise zone tax credit? My understanding had been that you wanted to substantially copy the statutory language for the enterprise zone tax credit for the new tax credit program (Electronics and Information Technology Manufacturing Zone). Or, when you say delete the enterprise zone tax credit language, do you simply mean don't use that language in this draft for the new tax credit program?

Thanks. I am bringing Joe Kreye in on this because he will likely be drafting the ch. 71 tax credit language.

Mike

From: Cramer, Megan J - DOA
Sent: Thursday, July 06, 2017 5:14 PM
To: Shovers, Marc <Marc.Shovers@legis.wisconsin.gov>; Gallagher, Michael <Michael.Gallagher@legis.wisconsin.gov>
Subject: RE: Drafting Request - DOA

One additional item regarding the changes in Chapter 71, any new language in Chapter 71 should specify that refunds issued under those credits are not due interest, disregarding general language about interest due on refunds. This way, any new language in Chapter 71 would be in accordance with the similar provisions in the budget.

Thanks.

From: Cramer, Megan J - DOA
Sent: Thursday, July 06, 2017 3:58 PM
To: 'Shovers, Marc' <marc.shovers@legis.wisconsin.gov>; Gallagher, Mike - LEGIS

<michael.gallagher@legis.wisconsin.gov>

Subject: RE: Drafting Request - DOA

238.396

Hi Marc and Mike,

Below are more specific drafting instructions regarding the creation of the Electronics and Information Technology Manufacturing Zone and the associated tax credits. Mike – As I mentioned on the phone, the final percentages/time frame have not been determined so I have “XX” as placeholders for now.

Generally, the goal is to keep the new zone as similar to the current Enterprise Zone as possible. As such, I broke these changes into four sections: zone language to be deleted entirely; tax credit language to be deleted entirely; zone language to be amended; tax credit language to be amended. Any other items that are currently in 238.399 and 71.28(3w) should be maintained in the new sections.

There will likely be additional statutory changes that I will likely be sending your way tomorrow but wanted to provide you this to begin working on. Those changes may need to include additional drafters. If there is a preliminary draft available at any point, we would appreciate being able to begin to review even if all of the requested changes have not been included in the draft.

Please let me know if there are questions/concerns. Thanks for all the assistance.

Megan

Statutory Sections to Delete Entirely – Zone Language:

- 238.399(3)(d)
- 238.399(5)(b) through 238.399(5)(e)
- 238.399(5m)
- 238.399(6)(g)2m.
- 238.399(6)(g)3.

Statutory Sections to Delete Entirely – Tax Credits related to the zone under Ch. 71.28:

- 71.28(3w)(a)4.
- 71.28(3w)(b)1.b.
- 71.28(3w)(b)3.
- 71.28(3w)(bm)1. - training credit
- 71.28(3w)(bm)2. – retention credit
- 71.28(3w)(bm)4. – supply chain credit

Amended Statutory Language – Zone Language:

- 238.XXX – Enterprise Electronics and information technology manufacturing zone
- 238.399(1)(bm)1. - A business' employees in an enterprise the zone.
- 238.399(1)(c) - “Tax benefits” means the income and franchise tax credits under s. 71.07(3w), s. 71.28(XX), and 71.47(3w)
- 238.XXX(1)(d) “Zone” means the Electronics and information technology manufacturing zone under this section
- 238.399(3) – DESIGNATION OF ENTERPRISE ZONES; CRITERIA
- 238.399(3)(a) – The corporation may designate not more than 30 ~~enterprise~~ one zones
- 238.399(4) TIME LIMITS; REPORTING. A designation under sub. (3) may remain in effect for no more than XX 12 years.
- 238.399(5)(a) – An electronics and information technology manufacturing business ~~business~~ that begins operations in an ~~enterprise zone~~ Wisconsin

- 238.399(6)(b)2. Leaves the ~~enterprise~~ zone to conduct substantially the same business outside of the ~~enterprise~~ zone.
- 238.399(6)(b)3. Ceases operations in the ~~enterprise~~-zone and does not renew operation of the business or a similar business in the ~~enterprise~~ zone within 12 months.
- 238.399(6)(d) The corporation may require a business to repay any tax benefits the business claims for a year in which the business failed to maintain employment levels or a significant capital investment in property required by an agreement ~~under sub. (5) (e)~~ entered into with the corporation.
- 238.399(6)(e) The corporation shall determine the maximum amount of the tax credits under ~~ss. 71.07 (3w), 71.28 (XX) (3w), and 71.47 (3w)~~ that a certified business may claim and shall notify the department of revenue of this amount.

Amended Statutory Language – 71.28 Tax Credits:

- 71.28XXX Electronics and information technology manufacturing ENTERPRISE ZONE JOBS CREDIT
- 71.28(3w)(a)2. "Claimant" means a person who is certified to claim tax benefits under s. 238.XXX s. ~~238.399 (5)~~ or s. ~~560.799 (5)~~, 2009 stats., and who files a claim under this subsection.
- 71.28(3w)(a)3. "Full-time employee" means a full-time employee, as defined in s. 238.XXX (1)(am) 238.399 (1) (am) or s. ~~560.799 (1) (am)~~, 2009 stats.
- 71.28(3w)(a)5t. "Zone" means a zone designated under x. 238.XXX
- 71.28(3w)(a)6. "Zone payroll" means the amount of state payroll that is attributable to wages paid to full-time employees for services that are performed in an ~~enterprise~~-zone. "Zone payroll" does not include the amount of wages paid to any full-time employees that exceeds \$100,000.
- 71.28(3w)(b) Filing claims; payroll. Subject to the limitations provided in this subsection and s. 238.XXX-399 or s. ~~560.799~~, 2009 stats., a claimant may claim as a credit against the tax imposed under s. 71.23 an amount calculated as follows:
 - 71.28(3w)(b)1. Determine the amount that is the lesser of:
 - 71.28(3w)(b)1.a. The number of full-time employees whose annual wages are greater than the amount determined by multiplying 2,080 by 150 percent of the federal minimum wage in a tier I county or municipality or greater than \$30,000 in a tier II county or municipality and who the claimant employed in the ~~enterprise~~ zone in the taxable year, minus the number of full-time employees whose annual wages were greater than the amount determined by multiplying 2,080 by 150 percent of the federal minimum wage in a tier I county or municipality or greater than \$30,000 in a tier II county or municipality and who the claimant employed in the area that comprises the ~~enterprise~~ zone in the base year.
 - 71.28(3w)(b)2. Determine the claimant's average zone payroll by dividing total wages for full-time employees whose annual wages are greater than the amount determined by multiplying 2,080 by 150 percent of the federal minimum wage in a tier I county or municipality or greater than \$30,000 in a tier II county or municipality and who the claimant employed in the enterprise zone in the taxable year by the number of full-time employees whose annual wages are greater than the amount determined by multiplying 2,080 by 150 percent of the federal minimum wage in a tier I county or municipality or greater than \$30,000 in a tier II county or municipality and who the claimant employed in the enterprise zone in the taxable year.
 - 71.28(3w)(b)4. Multiply the amount determined under subd. 2 3, by the amount determined under subd. 1.
 - 71.28(3w)(b)5. Multiply the amount determined under subd. 4. by the percentage determined under s. 288.XXX s. ~~238.399~~ or s. ~~560.799~~, 2009 stats., not to exceed 7 XX percent.
 - 71.28(3w)(bm)3. In addition to the credits under par. (b) and subs. 1, 2, and 4, and subject to the limitations provided in this subsection and s. 238.XXX s. ~~238.399~~ or s. ~~560.799~~, 2009 stats., for taxable years beginning after December 31, 2008, a claimant may claim as a credit against the tax imposed under s. 71.23 up to 10 XX percent of the claimant's significant capital expenditures, ~~as determined under s. 238.399 (5m) or s. 560.799 (5m), 2009 stats.~~

- 71.28(3w)(c)3. No credit may be allowed under this subsection unless the claimant includes with the claimant's return a copy of the claimant's certification for tax benefits under s. ~~238.XXX~~ 238.399 (5) or (5m) or s. 560.799 (5) or (5m), 2009 stats.

From: Cramer, Megan J - DOA
Sent: Friday, June 30, 2017 1:37 PM
To: 'Shovers, Marc' <marc.shovers@legis.wisconsin.gov>; Gallagher, Mike - LEGIS <michael.gallagher@legis.wisconsin.gov>
Subject: RE: Drafting Request - DOA

One additional item to include. Can you please include language that specifies that expenditures within the increased area must be to the benefit of the TID?

Thanks.

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Drafting Request:

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Again, please let me know if there are questions on this request.

Thanks!

Megan

Megan Cramer

Department of Administration

Legislative Liaison

608-267-2872

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Cc: Kreye, Joseph
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Mike –

Thanks for asking. My intent was to substantially copy the enterprise zone tax credit for the new tax credit program. The current enterprise zone tax credit should not be repealed or changed.

Joe – thank you for helping with this draft.

Let me know if there are additional questions.

Megan

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Again, please let me know if there are questions on this request.

Thanks!

Megan

Megan Cramer
Department of Administration
Legislative Liaison
608-267-2872

Shovers, Marc

From: Cramer, Megan J - DOA
Sent: Wednesday, July 05, 2017 11:04 AM
To: Shovers, Marc
Subject: RE: Drafting Request - DOA

Marc – another item was brought to my attention by DOR.

For the TIF deadline, I requested that the local resolution deadline be extended to December 1. We also need to extend the deadline for the locals to submit to DOR. This should be extended to December 31 for this TIF.

Thanks.

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Again, please let me know if there are questions on this request.

Amj: sub. (6) (Cramer) 1, 2

Thanks!
Megan

Megan Cramer
Department of Administration
Legislative Liaison
608-267-2872

Shovers, Marc

From: Cramer, Megan J - DOA
Sent: Tuesday, July 11, 2017 9:57 AM
To: Shovers, Marc
Subject: RE: TIF drafting

Yes, please make that change to the draft.

Thanks for the helpful explanation!

From: Shovers, Marc - LEGIS [mailto:marc.shovers@legis.wisconsin.gov]
Sent: Tuesday, July 11, 2017 9:52 AM
To: Cramer, Megan J - DOA <Megan.Cramer@wisconsin.gov>
Subject: RE: TIF drafting

Hi Megan:

Generally, for all TIDs, the maximum expenditure period is 5 years before the unextended termination date of the TID. See s. 66.1105 (6) (am). The bill authorizes TIDs in electronics/mfg zones to have a termination date of 27 years, instead of 20 years, so the expenditure period would be 22 years, instead of 15 years as it would be for "regular" mixed use/industrial site TIDs.

I could, however, change the allocation period to 27 years, under s. 66.1105 (6) (a) 7. That's the period during which DOR may allocate positive tax increments to the city/village that created the TID. As currently drafted, the allocation period is 20 years. Would you like me to make this change?

Thanks,

Marc

From: Cramer, Megan J - DOA
Sent: Tuesday, July 11, 2017 8:05 AM
To: Shovers, Marc <Marc.Shovers@legis.wisconsin.gov>
Subject: TIF drafting

Hi Marc,

I wanted to check on one section of the TIF changes that was for the electronics/IT manufacturing zone draft. With extending the life of the TIF to 27 years, does that also extend the "expenditure life" of the TIF to 27 years as well? If not, could you please make that change?

Thanks.

Megan Cramer
Department of Administration
Legislative Liaison
608-267-2872



By Tues, 5/11

LRB-3907/P1

MES/MPG/JK/ZDW:...

Tracks!

emw

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

JK ✓
WPF ✓

Gen. ✓

1 **AN ACT** ..., **relating to:** authorizing the creation of an electronics and information
 2 technology manufacturing zone, creating an income and franchise tax credit for
 3 businesses that begin operations in such a zone, creating special provisions for
 4 tax incremental districts that include such a zone, creating exemptions from
 5 wetland and waterway permits for activities in such a zone, and making an
 6 appropriation.

Analysis by the Legislative Reference Bureau

This bill authorizes the Wisconsin Economic Development Corporation to create not more than one electronics and information technology manufacturing zone.

TAX CREDITS

Under the bill, WEDC may certify certain businesses to claim income and franchise tax credits if a business begins operations in the electronics and information technology manufacturing zone. If the amount of the credit exceeds the taxpayer's tax liability, the taxpayer receives a refund equal to the excess amount. WEDC may seek repayment of tax credits under circumstances specified in the bill, and WEDC must revoke a certification to claim tax credits if a certified business does any of the following:

1. Supplies false or misleading information to obtain the tax credits.
2. Leaves the electronics and information technology manufacturing zone to conduct substantially the same business outside of the zone.

3. Ceases operations in the electronics and information technology manufacturing zone and does not renew operation of the business or a similar business in the zone within 12 months.

TAX INCREMENTAL FINANCING DISTRICTS

If WEDC creates an electronics and information technology manufacturing zone, and a city or village creates a tax incremental financing district (TID) which includes the zone, the bill also creates special provisions that apply only to such TIDs.

Under the current tax incremental financing program, a city or village may create a TID in part of its territory to foster development under certain conditions. Currently, towns and counties also have a limited ability to create a TID under certain limited circumstances. Before a city or village may create a TID, several steps and plans are required. These steps and plans include public hearings on the proposed TID within specified time frames, adoption of a resolution, submission of documents to the Department of Revenue within specified time frames, and the preparation and adoption by the local planning commission of a proposed project plan for the TID.

Generally, if a resolution creating a TID is adopted between January 2 and September 30, the TID is considered to have been created on the previous January 1, and if a resolution creating a TID is adopted between October 1 and December 31, its creation date is considered to be the next subsequent January 1. In addition, forms required by DOR must be submitted to the department by October 31 of the year in which the TID is created.

Also under current law, once a TID has been created, the DOR calculates the "tax incremental base" value of the TID, which is the equalized value of all taxable property within the TID at the time of its creation. If the development in the TID increases the value of the property in the TID above the base value, a "value increment" is created. That portion of taxes collected on the value increment in excess of the base value is called a "tax increment." The tax increment is placed in a special fund that may be used only to pay back the project costs of the TID.

The project costs of a TID, which are initially incurred by the creating city or village, include public works such as sewers, streets, and lighting systems; financing costs; site preparation costs; and professional service costs. DOR authorizes the allocation of the tax increments until the TID terminates or, generally, 20 years, 23 years, or 27 years after the TID is created, depending on the type of TID and the year in which it was created. Also under current law, a city or village may not generally make expenditures for project costs later than five years before the unextended termination date of the TID. Under certain circumstances, the life of the TID, the expenditure period, and the allocation period may be extended.

Generally under current law, expenditures for project costs must be spent within the boundaries of the TID, although some limited exceptions allow expenditures to be made within a one-half mile radius of the TID's boundaries. Also, with regard to TIDs created after September 30, 2004, the territory of which is mostly suitable for industrial sites or mixed-use development, the TIDs must generally terminate not later than 20 years after their creation.

* Subject to a number of exceptions, under current law, the equalized value of taxable property of a new or amended TID plus the value increment of all existing TIDs may not exceed 12 percent of the total equalized value of taxable property in the city or village.

Under this bill, for TIDs that are created in an area that includes an electronics and information technology manufacturing zone, a number of exceptions apply to the normal provisions that apply to TIDs, including the following:

1. The TID that is created must be an industrial site or mixed-use TID.
2. If the resolution creating the TID is adopted between January 1 and December 1, the TID is considered to have been created on the next subsequent January 1, and the forms required by DOR must be submitted before December 31 of the year in which the resolution is adopted.
3. The 12 percent rule regarding the total equalized value for taxable property in the city or village is a 16 percent rule.
4. The city or village creating the TID may incur expenditures for project costs for any territory that is located in the same county in which the TID is located, provided the expenditure benefits the TID.

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6b. Instead of requiring the TID to terminate no later than 20 years after creation, the TID must terminate within 27 years after it is created.

ENVIRONMENTAL IMPACT STATEMENTS

Under current law, all state agencies are required to prepare environmental impact statements for every recommendation or report on proposals for legislation and other major actions significantly affecting the quality of the human environment. Under the bill, a determination regarding the issuance of any permit or approval for any activity within an electronics and information technology manufacturing zone or within the surrounding county is not a major action for the purpose of the environmental impact statement requirement.

WETLANDS AND WATERWAY PERMITS EXEMPTION

Under current law, subject to exceptions, no person may discharge dredged material or fill material into a wetland unless the discharge is authorized by a wetland general permit or individual permit, or the discharge is exempt from permitting requirements. Current law requires the Department of Natural Resources to issue wetland general permits for discharges of dredged or fill material into certain wetlands. For a discharge into a wetland that is not authorized under a wetland general permit, current law requires a person to apply for and obtain a wetland individual permit. Before DNR may issue a wetland individual permit, it must require the restoration, enhancement, creation, or preservation of other wetlands to compensate for adverse impacts to a wetland resulting from the discharge, also known as mitigation.

Under this bill, a person may, without a permit, discharge dredged material or fill material into a wetland that is not subject to federal jurisdiction under the Clean Water Act and that is located in an electronics and information technology manufacturing zone or within the surrounding county.

Under current law, subject to exceptions, no person may do any of the following without a permit issued by DNR: 1) deposit any material or place any structure upon

the bed of any navigable water where no bulkhead line has been established or beyond a lawfully established bulkhead line; 2) construct or maintain a bridge or construct, place, or maintain a culvert in, on, or over navigable waters; 3) construct, dredge, or enlarge any artificial water body that connects with an existing navigable waterway; 4) construct or enlarge any part of an artificial water body that is or will be located within 500 feet of the ordinary high-water mark of, but that does not or will not connect with, an existing navigable waterway; 5) grade or remove topsoil from the bank of any navigable waterway where the area exposed by the grading or removal will exceed 10,000 square feet; and 6) change the course of or straighten a navigable stream.

Under the bill, DNR may not require a permit for any of these activities if they occur within an electronics and information technology manufacturing zone or within the surrounding county.

For further information see the *state and local* 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:

Determine that

1 SECTION 1. 1.11 (2) (cm) of the statutes is created to read:
2 1.11 (2) (cm) A determination regarding the issuance of any permit or approval
3 for any activity within an electronics and information technology manufacturing
4 zone designated under 238.396 (1) or within the surrounding county is not a major
5 action for the purposes of par. (c).

6 SECTION 2. 20.835 (2) (cp) of the statutes is created to read:
7 20.835 (2) (cp) *Electronics and information technology manufacturing zone*
8 *credit*. A sum sufficient to make the payments under ss. 71.07 (3wm) (d) 2. and 71.28
9 (3wm) (d) 2.

10 SECTION 3. 30.056 of the statutes is renumbered 30.056 (1).

11 SECTION 4. 30.056 (2) of the statutes is created to read:
12 30.056 (2) Notwithstanding ss. 30.12, 30.123, 30.19, and 30.195, the
13 department may not require any permit under this chapter for any activity within

1 an electronics and information technology manufacturing zone designated under
2 238.396 (1) or within the surrounding county.

3 SECTION 5. 66.1105 (2) (f) 1. (intro.) of the statutes is amended to read:

4 66.1105 (2) (f) 1. (intro.) "Project costs" mean any expenditures made or
5 estimated to be made or monetary obligations incurred or estimated to be incurred
6 by the city which are listed in a project plan as costs of public works or improvements
7 within a tax incremental district or, to the extent provided in this subd. 1. (intro.) or
8 subds. 1. k., 1. m., and 1. n., or sub. (20) (c), without the district, plus any incidental
9 costs, diminished by any income, special assessments, or other revenues, including
10 user fees or charges, other than tax increments, received or reasonably expected to
11 be received by the city in connection with the implementation of the plan. For any
12 tax incremental district for which a project plan is approved on or after July 31, 1981,
13 only a proportionate share of the costs permitted under this subdivision may be
14 included as project costs to the extent that they benefit the tax incremental district,
15 except that expenditures made or estimated to be made or monetary obligations
16 incurred or estimated to be incurred by a 1st class city, to fund parking facilities
17 ancillary to and within one mile from public entertainment facilities, including a
18 sports and entertainment arena, shall be considered to benefit any tax incremental
19 district located in whole or in part within a one-mile radius of such parking facilities.
20 To the extent the costs benefit the municipality outside the tax incremental district,
21 a proportionate share of the cost is not a project cost. "Project costs" include:

History: 1975 c. 105, 199, 311; 1977 c. 29 ss. 724m, 725, 1646 (1), (3); 1977 c. 418; 1979 c. 221, 343; 1979 c. 361 s. 112; 1981 c. 20, 317; 1983 a. 27, 31, 207, 320, 405, 538; 1985 a. 29, 39, 285; 1987 a. 27, 186, 395; 1989 a. 31, 336; 1993 a. 293, 337, 399; 1995 a. 27 ss. 3330c to 3337, 9116 (5), 9130 (4); 1995 a. 201, 225, 227, 335; 1997 a. 3, 27, 237, 252; 1999 a. 9; 1999 a. 150 ss. 457 to 472; Stats. 1999 s. 66.1105; 2001 a. 5, 11, 16, 104; 2003 a. 34, 46, 126, 127, 194, 320, 326; 2005 a. 6, 13, 46, 328, 331, 385; 2007 a. 2, 10, 21, 41, 43, 57, 73, 96; 2009 a. 5, 28, 67, 170, 176, 310, 312; 2011 a. 10, 12, 32, 40, 41, 77, 137, 139; 2011 a. 260 s. 81; 2013 a. 2, 32, 90; 2013 a. 165 ss. 43, 44, 114; 2013 a. 173 s. 32; 2013 a. 183, 193, 284, 299; 2015 a. 60, 75, 96; 2015 a. 195 s. 83; 2015 a. 197 s. 51; 2015 a. 254, 255, 256, 257; 2017 a. 1, 15; s. 13.92 (2) (i).

22 SECTION 6. 66.1105 (4) (gm) 4. c. of the statutes is amended to read:

1 66.1105 (4) (gm) 4. c. Except as provided in subs. (10) (c), (16) (d), (17), and (18)
 2 (c) 3., and (20) (b), the equalized value of taxable property of the district plus the
 3 value increment of all existing districts does not exceed 12 percent of the total
 4 equalized value of taxable property within the city. In determining the equalized
 5 value of taxable property under this subd. 4. c. or sub. (17) (c), the department of
 6 revenue shall base its calculations on the most recent equalized value of taxable
 7 property of the district that is reported under s. 70.57 (1m) before the date on which
 8 the resolution under this paragraph is adopted. If the department of revenue
 9 determines that a local legislative body exceeds the 12 percent limit described in this
 10 subd. 4. c. or sub. (17) (c), the department shall notify the city of its noncompliance,
 11 in writing, not later than December 31 of the year in which the department receives
 12 the completed application or amendment forms described in sub. (5) (b).

History: 1975 c. 105, 199, 311; 1977 c. 29 ss. 724m, 725, 1646 (1), (3); 1977 c. 418; 1979 c. 221, 343; 1979 c. 361 s. 112; 1981 c. 20, 317; 1983 a. 27, 31, 207, 320, 405, 538; 1985 a. 29, 39, 285; 1987 a. 27, 186, 395; 1989 a. 31, 336; 1993 a. 293, 337, 399; 1995 a. 27 ss. 3330c to 3337, 9116 (5), 9130 (4); 1995 a. 201, 225, 227, 335; 1997 a. 3, 27, 237, 252; 1999 a. 9; 1999 a. 150 ss. 457 to 472; Stats. 1999 s. 66.1105; 2001 a. 5, 11, 16, 104; 2003 a. 34, 46, 126, 127, 194, 320, 326; 2005 a. 6, 13, 46, 328, 331, 385; 2007 a. 2, 10, 21, 41, 43, 57, 73, 96; 2009 a. 5, 28, 67, 170, 176, 310, 312; 2011 a. 10, 12, 32, 40, 41, 77, 137, 139; 2011 a. 260 s. 81; 2013 a. 2, 32, 90; 2013 a. 165 ss. 43, 44, 114; 2013 a. 173 s. 32; 2013 a. 183, 193, 284, 299; 2015 a. 60, 75, 96; 2015 a. 195 s. 83; 2015 a. 197 s. 51; 2015 a. 254, 255, 256, 257; 2017 a. 1, 15; s. 13.92 (2) (i).

13 **SECTION 7.** 66.1105 (20) of the statutes is created to read:

14 66.1105 (20) DISTRICTS WITHIN AN ELECTRONICS AND INFORMATION TECHNOLOGY
 15 MANUFACTURING ZONE. (a) *Creation.* With regard to a tax incremental district that
 16 is created in an area that includes an electronics and information technology
 17 manufacturing zone that is created under s. 238.396, the district may only be a
 18 district that is suitable for industrial sites or mixed-use development as described
 19 in sub. (4) (gm) 4. a., and all of the following apply:

20 1. Notwithstanding the dates specified in sub. (4) (gm) 2., if the resolution
 21 described under sub. (4) (gm) is adopted during the period between January 1 and
 22 December 1, the creation date shall be the next subsequent January. If a resolution



1 is adopted during the period between December 2 and December 31, the creation date
2 shall be the second subsequent January 1.

3 2. Notwithstanding the October 31 deadline for the city clerk's submission of
4 the forms described in sub. (5) (b), the city clerk shall complete and submit the
5 required forms for a tax incremental district described in this subsection on or before
6 December 31 of the year the resolution under subd. 1. is adopted if it is adopted
7 between January 1 and December 1, or, if the resolution under subd. 1. is adopted
8 between December 2 and December 31, the forms must be completed and submitted
9 on or after the next subsequent April 1 and before the next subsequent December 1
10 of the year the resolution is adopted.

11 (b) *Exception to the 12 percent limit.* Notwithstanding the 12 percent limit
12 findings requirement described under sub. (4) (gm) 4. c., the limit for a city that
13 creates a tax incremental district described under this subsection is 16 percent for
14 purposes of the findings requirement in the resolution described under ^{sub. (4) (gm)} that ^{e 4.c.}
15 subdivision paragraph.

16 (c) *Expenditures.* With regard to a tax incremental district described under
17 this subsection, the creating city may incur project costs for any territory that is
18 located in the same county as the district, provided that the expenditure benefits the
19 district.

Handwritten notes: "I.V." and "7.V." with arrows pointing to lines 19 and 20 respectively.

20 (e) ~~(d)~~ *Termination.* Notwithstanding the 20^{year} termination requirement
21 specified in sub. (7) (am) 2., for a tax incremental district described under this
22 subsection, that limit shall be 27 years for purposes of sub. (7) (am) 2.

23 **SECTION 8.** 71.05 (6) (a) 15. of the statutes is amended to read:

24 71.05 (6) (a) 15. Except as provided under s. 71.07 (3p) (c) 5., the amount of the
25 credits computed under s. 71.07 (2dm), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r),

1 (3rm), (3rn), (3s), (3t), (3w), (3wm), (3y), (4k), (4n), (5e), (5f), (5h), (5i), (5j), (5k), (5r),
 2 (5rm), (6n), and (8r) and not passed through by a partnership, limited liability
 3 company, or tax-option corporation that has added that amount to the partnership's,
 4 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; 2015 a. 55, 60, 84, 195; 2015 a. 197 s. 51; 2015 a. 216, 312; 2017 a. 17.

5 SECTION 9. 71.07 (3wm) of the statutes is created to read:

6 71.07 (3wm) ELECTRONICS AND INFORMATION TECHNOLOGY MANUFACTURING ZONE

7 CREDIT. (a) *Definitions*. In this subsection:

8 1. "Base year" means the taxable year beginning during the calendar year prior
 9 to the calendar year in which the zone in which the claimant is located takes effect.

10 2. "Claimant" means a person who is certified to claim tax benefits under s.
 11 238.396 (3) and who files a claim under this subsection.

12 3. "Full-time employee" means a full-time employee, as defined in s. 238.399
 13 (1) (am).

14 4. "State payroll" means the amount of payroll apportioned to this state, as
 15 determined under s. 71.25 (8).

16 5. "Tier I county or municipality" means a tier I county or municipality, as
 17 determined under s. 238.396 (4) (e).

18 6. "Tier II county or municipality" means a tier II county or municipality, as
 19 determined under s. 238.396 (4) e).

20 7. "Wages" means wages under section 3306 (b) of the Internal Revenue Code,
 21 determined without regard to any dollar limitations.

22 8. "Zone" means a zone designated under s. 238.396 (1).

1 9. "Zone payroll" means the amount of state payroll that is attributable to
2 wages paid to full-time employees for services that are performed in the zone. ^{Fix} Zone
3 payroll" does not include the amount of wages paid to any full-time employees that
4 exceeds \$100,000.

5 (b) *Filing claims; payroll.* Subject to the limitations provided in this subsection
6 and s. 238.396, a claimant may claim as a credit against the tax imposed under s.
7 71.02 an amount calculated as follows:

8 1. Determine the number of full-time employees whose annual wages are
9 greater than the amount determined by multiplying 2,080 by 150 percent of the
10 federal minimum wage in a tier I county or municipality or greater than \$30,000 in
11 a tier II county or municipality and who the claimant employed in the zone in the
12 taxable year, minus the number of full-time employees whose annual wages were
13 greater than the amount determined by multiplying 2,080 by 150 percent of the
14 federal minimum wage in a tier I county or municipality or greater than \$30,000 in
15 a tier II county or municipality and who the claimant employed in the area that
16 comprises the zone in the base year.

17 2. Multiply the claimant's zone payroll for the taxable year by the amount
18 determined under subd. 1.

19 3. Multiply the amount determined under subd. 2. by the percentage
20 determined by the Wisconsin Economic Development Corporation under s. 238.396.

21 (bm) *Filing supplemental claims.* In addition to claiming the credit under par.
22 (b), and subject to the limitations under this subsection and s. 238.396, a claimant
23 may claim as a credit against the tax imposed under s. 71.02 an amount equal to 10
24 percent of the claimant's significant capital expenditures in the zone in the taxable

1 year, as determined by the Wisconsin Economic Development Corporation under s.

2 238.396

3 (c) *Limitations.* 1. Partnerships, limited liability companies, and tax-option
4 corporations may not claim the credit under this subsection, but the eligibility for,
5 and the amount of, the credit are based on their payment of amounts described under
6 pars. (b) and (bm). A partnership, limited liability company, or tax-option
7 corporation shall compute the amount of credit that each of its partners, members,
8 or shareholders may claim and shall provide that information to each of them.
9 Partners, members of limited liability companies, and shareholders of tax-option
10 corporations may claim the credit in proportion to their ownership interests.

11 2. No credit may be allowed under this subsection unless the claimant includes
12 with the claimant's return a copy of the claimant's certification for tax benefits under
13 s. 238.396 (3).

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

16 2. If the allowable amount of the claim under this subsection exceeds the taxes
17 otherwise due on the claimant's income under s. 71.02, the amount of the claim that
18 is not used to offset those taxes shall be certified by the department of revenue to the
19 department of administration for payment by check, share draft, or other draft
20 drawn from the appropriation under s. 20.835 (2) (cp).

21 **SECTION 10.** 71.08 (1) (intro.) of the statutes is amended to read:

22 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married
23 couple filing jointly, trust, or estate under s. 71.02, not considering the credits under
24 ss. 71.07 (1), (2dx), (2dy), (3m), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s), (3t), (3w),
25 (3wm), (3y), (4k), (5b), (5d), (5e), (5f), (5h), (5i), (5j), (5n), (6), (6e), (8r), (9e), (9m), and

Notwithstanding s. 71.82, no interest shall be paid on amounts certified under this subsection.

1 (9r), 71.28 (1dx), (1dy), (2m), (3), (3n), (3t), (3w), ~~(3wm)~~, and (3y), 71.47 (1dx), (1dy),
2 (2m), (3), (3n), (3t), (3w), and (3y), 71.57 to 71.61, and 71.613 and subch. VIII and
3 payments to other states under s. 71.07 (7), is less than the tax under this section,
4 there is imposed on that natural person, married couple filing jointly, trust or estate,
5 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; 2015 a. 55.

6 **SECTION 11.** 71.10 (4) (i) of the statutes is amended to read:

7 71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland
8 preservation credit under ss. 71.57 to 71.61, farmland preservation credit, 2010 and
9 beyond under s. 71.613, homestead credit under subch. VIII, farmland tax relief
10 credit under s. 71.07 (3m), dairy manufacturing facility investment credit under s.
11 71.07 (3p), jobs tax credit under s. 71.07 (3q), meat processing facility investment
12 credit under s. 71.07 (3r), woody biomass harvesting and processing credit under s.
13 71.07 (3rm), food processing plant and food warehouse investment credit under s.
14 71.07 (3rn), business development credit under s. 71.07 (3y), film production services
15 credit under s. 71.07 (5f), film production company investment credit under s. 71.07
16 (5h), veterans and surviving spouses property tax credit under s. 71.07 (6e),
17 enterprise zone jobs credit under s. 71.07 (3w), electronics and information
18 technology manufacturing zone credit under s. 71.07 (3wm), beginning farmer and
19 farm asset owner tax credit under s. 71.07 (8r), earned income tax credit under s.
20 71.07 (9e), estimated tax payments under s. 71.09, and taxes withheld under subch.

21 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, 326; 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; 2015 a. 55, 197, 218.

22 **SECTION 12.** 71.21 (4) (a) of the statutes is amended to read:

1 71.21 (4) (a) The amount of the credits computed by a partnership under s.
2 71.07 (2dm), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s), (3t), (3w),
3 (3wm), (3y), (4k), (4n), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), and (8r) and
4 passed through to partners shall be added to the 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; 2015 a. 55.

5 **SECTION 13.** 71.26 (2) (a) 4. of the statutes is amended to read:

6 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dm),
7 (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3t), (3w), (3wm), (5e), (5f),
8 (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), (8r), and (9s) and not passed through by a
9 partnership, limited liability company, or tax-option corporation that has added that
10 amount to the partnership's, limited liability company's, or tax-option corporation's
11 income under s. 71.21 (4) or 71.34 (1k) (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; 2015 a. 55, 60, 84, 196, 216; s. 35.17 correction to (2) (b) 10. b.

12 **SECTION 14.** 71.28 (3wm) of the statutes is created to read:

13 71.28 (3wm) ELECTRONICS AND INFORMATION TECHNOLOGY MANUFACTURING ZONE

14 CREDIT. (a) *Definitions.* In this subsection:

15 1. "Base year" means the taxable year beginning during the calendar year prior
16 to the calendar year in which the zone in which the claimant is located takes effect.

17 2. "Claimant" means a person who is certified to claim tax benefits under s.
18 238.396 (3) and who files a claim under this subsection.

19 3. "Full-time employee" means a full-time employee, as defined in s. 238.399
20 (1) (am).

21 4. "State payroll" means the amount of payroll apportioned to this state, as
22 determined under s. 71.25 (8).

1 5. "Tier I county or municipality" means a tier I county or municipality, as
2 determined under s. 238.396 (4) (e).

3 6. "Tier II county or municipality" means a tier II county or municipality, as
4 determined under s. 238.396 (4) e.

5 7. "Wages" means wages under section 3306 (b) of the Internal Revenue Code,
6 determined without regard to any dollar limitations.

7 8. "Zone" means a zone designated under s. 238.396 (1).

8 9. "Zone payroll" means the amount of state payroll that is attributable to
9 wages paid to full-time employees for services that are performed in the zone. "Zone
10 payroll" does not include the amount of wages paid to any full-time employees that
11 exceeds \$100,000.

12 (b) *Filing claims; payroll.* Subject to the limitations provided in this subsection
13 and s. 238.396, a claimant may claim as a credit against the tax imposed under s.
14 71.23 an amount calculated as follows:

15 1. Determine the number of full-time employees whose annual wages are
16 greater than the amount determined by multiplying 2,080 by 150 percent of the
17 federal minimum wage in a tier I county or municipality or greater than \$30,000 in
18 a tier II county or municipality and who the claimant employed in the zone in the
19 taxable year, minus the number of full-time employees whose annual wages were
20 greater than the amount determined by multiplying 2,080 by 150 percent of the
21 federal minimum wage in a tier I county or municipality or greater than \$30,000 in
22 a tier II county or municipality and who the claimant employed in the area that
23 comprises the zone in the base year.

24 2. Multiply the claimant's zone payroll for the taxable year by the amount
25 determined under subd. 1.

1 3. Multiply the amount determined under subd. 2. by the percentage
2 determined by the Wisconsin Economic Development Corporation under s. 238.396.

3 (bm) *Filing supplemental claims.* In addition to claiming the credit under par.
4 (b), and subject to the limitations under this subsection and s. 238.396, a claimant
5 may claim as a credit against the tax imposed under s. 71.23 an amount equal to 10
6 percent of the claimant's significant capital expenditures in the zone in the taxable
7 year, as determined by the Wisconsin Economic Development Corporation under s.
8 238.396. (4)(d)

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

17 2. No credit may be allowed under this subsection unless the claimant includes
18 with the claimant's return a copy of the claimant's certification for tax benefits under
19 s. 238.396 (3).

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

22 2. If the allowable amount of the claim under this subsection exceeds the taxes
23 otherwise due on the claimant's income under s. 71.23, the amount of the claim that
24 is not used to offset those taxes shall be certified by the department of revenue to the

Notwithstanding s. 71.82, no interest shall be paid on amounts certified under this subdivision.

(f) department of administration for payment by check, share draft, or other draft drawn from the appropriation under s. 20.835 (2) (cp).

3 SECTION 15. 71.30 (3) (f) of the statutes is amended to read:

4 71.30 (3) (f) The total of farmland preservation credit under subch. IX,
5 farmland tax relief credit under s. 71.28 (2m), dairy manufacturing facility
6 investment credit under s. 71.28 (3p), jobs credit under s. 71.28 (3q), meat processing
7 facility investment credit under s. 71.28 (3r), woody biomass harvesting and
8 processing credit under s. 71.28 (3rm), food processing plant and food warehouse
9 investment credit under s. 71.28 (3rn), enterprise zone jobs credit under s. 71.28
10 (3w), electronics and information technology manufacturing zone credit under s.
11 71.28 (3wm), business development credit under s. 71.28 (3y), film production
12 services credit under s. 71.28 (5f), film production company investment credit under
13 s. 71.28 (5h), beginning farmer and farm asset owner tax credit under s. 71.28 (8r),
14 and estimated 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; 2015 a. 55; s. 2015 a. 197 s. 51; s. 2015 a. 218.

15 SECTION 16. 71.34 (1k) (g) of the statutes is amended to read:

16 71.34 (1k) (g) An addition shall be made for credits computed by a tax-option
17 corporation under s. 71.28 (1dm), (1dx), (1dy), (3), (3g), (3h), (3n), (3p), (3q), (3r),
18 (3rm), (3rn), (3t), (3w), (3wm), (3y), (4), (5), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r),
19 (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; 2015 a. 55, 216; 2017 a. 17.

20 SECTION 17. 238.396 of the statutes is created to read:

21 **238.396 Electronics and information technology manufacturing zone.**

(22) (1) DESIGNATION OF ZONES; CRITERIA. (a) The corporation may designate not more than one electronics and information technology manufacturing zone.

1 (b) In determining whether to designate an area under par. (a), the corporation
2 shall consider all of the following:

3 1. Indicators of the area's economic need, which may include data regarding
4 household income, average wages, the condition of property, housing values,
5 population decline, job losses, infrastructure and energy support, the rate of business
6 development, and the existing resources available to the area.

7 2. The effect of designation on other initiatives and programs to promote
8 economic and community development in the area, including job retention, job
9 creation, job training, and creating high-paying jobs.

10 (c) The corporation shall specify whether an electronics and information
11 technology manufacturing zone designated under par. (a) is located in a tier I county
12 or municipality or a tier II county or municipality.

13 (d) The corporation shall, to the extent possible, give preference to the greatest
14 economic need.

15 (2) TIME LIMIT. A designation under sub. (1) ^{shall} ~~may~~ remain in effect for no more
16 than XX years.

17 (3) CERTIFICATION. The corporation may certify for tax benefits a business that
18 begins operations in an electronics and information technology manufacturing zone.

19 (4) OTHER DUTIES. (a) The corporation shall revoke a certification under sub.
20 (3) if the business does any of the following:

- 21 1. Supplies false or misleading information to obtain tax benefits.
22 2. Leaves the electronics and information technology manufacturing zone to
23 conduct substantially the same business outside of the zone.

1 3. Ceases operations in the electronics and information technology
2 manufacturing zone and does not renew operation of the business or a similar
3 business in the zone within 12 months.

4 (b) The corporation may require a business to repay any tax benefits the
5 business claims for a year in which the business failed to maintain employment
6 levels or a significant capital investment in property required by an agreement
7 between the business and the corporation.

8 (c) The corporation shall determine the maximum amount of the tax benefits
9 that a certified business may claim and shall notify the department of revenue of this
10 amount.

11 (d) The corporation shall annually verify the information submitted to the
12 corporation under ss. 71.07 (3wm) and 71.28 (3wm).

13 (e) The corporation shall adopt policies and procedures defining a tier I county
14 or municipality and a tier II county or municipality. The corporation may consider
15 all of the following information when establishing the definitions required under this
16 paragraph:

17 1. Unemployment rate.

18 2. Percentage of families with incomes below the poverty line established under
19 42 USC 9902 (2).

20 3. Median family income.

21 4. Median per capita income.

22 5. Other significant or irregular indicators of economic distress, such as a
23 natural disaster or mass layoff.

24 **SECTION 18.** 281.36 (3b) (b) of the statutes is amended to read:

SECTION 18

1 281.36 (3b) (b) No person may discharge dredged material or fill material into
2 a wetland unless the discharge is authorized by a wetland general permit or
3 individual permit issued by the department under this section or the discharge is
4 exempt under sub. (4) or (4m). No person may violate any condition contained in a
5 wetland general or individual permit issued by the department under this section.
6 The department may not issue a wetland general or individual permit under this
7 section unless it determines that the discharge authorized pursuant to the wetland
8 general or individual permit will comply with all applicable water quality standards.

History: 2001 a. 6; 2005 a. 253; 2011 a. 118, ss. 43, 45 to 47, 49 to 55, 57 to 118, 122, 123, 127 to 137, 141; 2013 a. 1, 20, 69, 80; 2013 a. 151 s. 27; 2013 a. 166 s. 77; 2013 a. 168, 173; 2015 a. 387; 2017 a. 21.

9 **SECTION 19.** 281.36 (3m) (a) of the statutes is amended to read:

10 281.36 (3m) (a) *When permit required.* Any person wishing to proceed with a
11 discharge into any wetland shall submit an application for a wetland individual
12 permit under this subsection unless the discharge has been authorized under a
13 wetland general permit as provided in sub. (3g) or is exempt under sub. (4) or (4m).
14 Before submitting the application, the department shall hold a meeting with the
15 applicant to discuss the details of the proposed discharge and the requirements for
16 submitting the application and for delineating the wetland. An applicant may
17 include in the application a request for a public informational hearing. The
18 application shall be accompanied by the applicable fee specified in sub. (11) or (12)
19 (a).

History: 2001 a. 6; 2005 a. 253; 2011 a. 118, ss. 43, 45 to 47, 49 to 55, 57 to 118, 122, 123, 127 to 137, 141; 2013 a. 1, 20, 69, 80; 2013 a. 151 s. 27; 2013 a. 166 s. 77; 2013 a. 168, 173; 2015 a. 387; 2017 a. 21.

20 **SECTION 20.** 281.36 (4m) of the statutes is created to read:

21 281.36 (4m) EXEMPTION; ELECTRONICS AND INFORMATION TECHNOLOGY
22 MANUFACTURING ZONE. The permitting requirement under sub. (3b) does not apply to
23 any discharge into a wetland that is not subject to federal jurisdiction under 33 USC

✓
1 1344 that is located in an electronics and information technology manufacturing
2 zone designated under ^S238.396 (1) or within the surrounding county.

3

(END)

**2017-2018 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-3907/P1ins
MES/MPG/JK/ZDW:...

INS 3-ANL

5. Instead of limiting to 20 years the period during which DOR may allocate positive tax increments, the allocation period is 27 years.

INS 7-19

* (d) *Allocation of positive increments.* Notwithstanding the 20²⁷ year limit for allocating positive tax increments described in sub. (6) (a) 7., for a tax incremental district described under this subsection, that limit shall be 27 years for purposes of sub. (6) (a) 7.

Shovers, Marc

From: Cramer, Megan J - DOA
Sent: Thursday, July 13, 2017 4:49 PM
To: Kreye, Joseph; Wyatt, Zachary; Shovers, Marc; Gallagher, Michael
Subject: RE: DOA Drafting - Electronics & IT Manufacturing Zone DNR Changes

Additional drafting instructions below. There will likely be 2-3 more items that I will send to you tomorrow morning. Thanks for the help and timeliness on this.

- DNR Section:
- For WEPA exemption, limit to just the Electronics and IT manufacturing zone, not the surrounding county.
- TIF
- Allow TIF for the zone to have a January 1, 2017 creation date (Marc – per voicemail I left you earlier today)
- Creation of an Ombudsman Position
- 1.0 FTE unclassified position at DOA at an ESG 3 Level. Total GPR for salary/fringe/supplies/services should be as indicated in the chart below. This funding should be included in s. 20.505((1)(a), General Program Operations. If you need a specific title for the position, please use “Electronics and IT Manufacturing Zone Ombudsman.”

	First Year	Second Year
INDEF AGENCY APPT-20.923(4) ESG 3 Salary	\$ 99,800	\$ 99,800
INDEF AGENCY APPT-20.923(4) ESG 3 Fringe Benefits	\$ 39,500	\$ 39,500
Subtotal Salary and Fringe Benefits	\$ 139,300	\$ 139,300
Routine Supplies and Services	\$ 10,000	\$ 10,000
Extraordinary Travel	\$ 30,000	\$ 30,000
Ongoing Supplies and Services	\$ 40,000	\$ 40,000
One-time Supplies and Services	\$ 6,000	\$ -
Subtotal, Supplies and Services	\$ 46,000	\$ 40,000
Total Costs	\$ 185,300	\$ 179,300

-----Original Message-----

From: Kreye, Joseph A - LEGIS [mailto:joseph.kreye@legis.wisconsin.gov]
Sent: Thursday, July 13, 2017 1:25 PM
To: Cramer, Megan J - DOA <Megan.Cramer@wisconsin.gov>
Cc: Wyatt, Zachary - LEGIS <zachary.wyatt@legis.wisconsin.gov>; Shovers, Marc - LEGIS <marc.shovers@legis.wisconsin.gov>; Gallagher, Mike - LEGIS <michael.gallagher@legis.wisconsin.gov>
Subject: RE: DOA Drafting - Electronics & IT Manufacturing Zone DNR Changes

Thanks Megan. Just let us know as soon as you can when you have additional instructions.

Joe

From: Cramer, Megan J - DOA
Sent: Thursday, July 13, 2017 1:17 PM
To: Kreye, Joseph
Cc: Wyatt, Zachary; Shovers, Marc; Gallagher, Michael
Subject: RE: DOA Drafting - Electronics & IT Manufacturing Zone DNR Changes

All – below are some items for a /p2 draft. I hope to have remaining edits/changes for this draft to you by the end of the day. I'm hoping you can have the /p2 draft done by mid-morning on Monday (or earlier) if at all possible. Exact percentages have still not been finalized, so please continue to have XX percent as placeholders for the time being.

Let me know if you have any questions! Thanks!

Changes to draft:

- * Pg. 9, Line 11: change to "Determine the zone payroll for full-time employees..."
- * Pg. 9, Lines 15-21: delete starting with "minus the number" through the end of line 21.
- * Pg. 9, Line 22: change to "under subd. 1"
- * Pg. 9, Lines 22-23: Replace percentage language with "XX percent"
- * Pg. 10, Lines 1-2: Replace 10 percent with XX percent
- * Pg. 13, Line 13: change to "Determine the zone payroll for full-time employees..."
- * Pg. 13, Lines 17-23: delete starting with "minus the number" through the end of line 23.
- * Pg. 13, Line 24: Change to "under subd. 1"
- * Pg. 13, Lines 24-25: Replace percentage language with "XX percent"
- * Pg. 14, Lines 3-4: Replace 10 percent with XX percent

Additional Items to add to draft:

- * Under the Electronics and IT Manufacturing Zone, add in 238.399(5m) language relating to capital expenditures tax credits.
- * Include language from the Governor's budget related to disregarded notice and liability of disregarded entities and automatically applying to the new credits in the draft (Item 27 of the General Fund Taxes portion of the LFB summary)
- * Create an exemption under 16.47(2) for the passage of this bill, which otherwise requires the budget bill to be passed prior to other bills with significant fiscal impacts.

From: Kreye, Joseph A - LEGIS [<mailto:joseph.kreye@legis.wisconsin.gov>]
Sent: Monday, July 10, 2017 11:28 AM
To: Cramer, Megan J - DOA <Megan.Cramer@wisconsin.gov>
Cc: Wyatt, Zachary - LEGIS <zachary.wyatt@legis.wisconsin.gov>; Shovers, Marc - LEGIS <marc.shovers@legis.wisconsin.gov>; Gallagher, Mike - LEGIS <michael.gallagher@legis.wisconsin.gov>
Subject: RE: DOA Drafting - Electronics & IT Manufacturing Zone DNR Changes

Thanks Megan.

From: Cramer, Megan J - DOA
Sent: Monday, July 10, 2017 11:27 AM
To: Kreye, Joseph <Joseph.Kreye@legis.wisconsin.gov<<mailto:Joseph.Kreye@legis.wisconsin.gov>>>

Cc: Wyatt, Zachary <Zachary.Wyatt@legis.wisconsin.gov<mailto:Zachary.Wyatt@legis.wisconsin.gov>>; Shovers, Marc <Marc.Shovers@legis.wisconsin.gov<mailto:Marc.Shovers@legis.wisconsin.gov>>; Gallagher, Michael <Michael.Gallagher@legis.wisconsin.gov<mailto:Michael.Gallagher@legis.wisconsin.gov>>
Subject: Re: DOA Drafting - Electronics & IT Manufacturing Zone DNR Changes

Hi Joe,

I'm out of the office today but available via email all day if there are questions.

For the new tax credit, 71.07 should be included but 71.47 does not need to be.

Thanks.

On Jul 10, 2017, at 10:58 AM, Kreye, Joseph A - LEGIS <joseph.kreye@legis.wisconsin.gov<mailto:joseph.kreye@legis.wisconsin.gov>> wrote:

Hi Megan,

I left you a voicemail earlier this morning regarding this question, but I thought I'd try to reach you via email.

The instructions for the tax credit are based on the enterprise zone credit under s. 71.28 (3w) that applies only to corporations. The current enterprise zone credit also allows sole proprietors, partners, members of an LLC, and shareholders of a tax-option corporation to claim the credit under s. 71.07 (3w) and insurers to claim the credit under s. 71.47 (3w).

Do you want the same tax treatment for individuals and insurers under the new tax credit to be the same as that under the current enterprise zone credit?

Joe

Joseph T. Kreye
Legal Services Manager
Legislative Reference Bureau
608 266-2263

From: Cramer, Megan J - DOA
Sent: Friday, July 07, 2017 11:52 AM
To: Wyatt, Zachary <Zachary.Wyatt@legis.wisconsin.gov<mailto:Zachary.Wyatt@legis.wisconsin.gov>>
Cc: Shovers, Marc <Marc.Shovers@legis.wisconsin.gov<mailto:Marc.Shovers@legis.wisconsin.gov>>; Gallagher, Michael <Michael.Gallagher@legis.wisconsin.gov<mailto:Michael.Gallagher@legis.wisconsin.gov>>; Kreye, Joseph <Joseph.Kreye@legis.wisconsin.gov<mailto:Joseph.Kreye@legis.wisconsin.gov>>
Subject: DOA Drafting - Electronics & IT Manufacturing Zone DNR Changes

All,

I'm looping Zach Wyatt in for some changes as it relates to DNR and DOT programs for the Enterprise and IT Manufacturing Zone bill that you are all working on. Below are drafting instructions for the DNR portion. I hope to have the DOT piece to you by the end of the day. Please call or email with any questions.

WEPA Exemption:

* No Environmental Impact Statement Required.

* A decision to issue any permit or approval for any activity within the Electronics and Information Technology Manufacturing Zone and the surrounding county, as defined in XXXXXXXXX (new zone statutory reference) does not constitute a major state action under s. 1.11(2).

Waterway and Wetlands Exemption:

* Exemption from Waterway and Wetland Permitting.

* No permit or approval is required under ss.30.12, 30.123, 30.19, 30.195, or 281.36 for any activity within the Electronics and Information Technology Manufacturing Zone and the surrounding county as defined in XXXXXXXXX (new zone statutory reference).

Thanks,
Megan

Megan Cramer
Department of Administration
Legislative Liaison
608-267-2872

3907

Kreye, Joseph

From: Cramer, Megan J - DOA
Sent: Monday, July 10, 2017 11:27 AM
To: Kreye, Joseph
Cc: Wyatt, Zachary; Shovers, Marc; Gallagher, Michael
Subject: Re: DOA Drafting - Electronics & IT Manufacturing Zone DNR Changes

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To: Wyatt, Zachary <Zachary.Wyatt@legis.wisconsin.gov>
Cc: Shovers, Marc <Marc.Shovers@legis.wisconsin.gov>; Gallagher, Michael <Michael.Gallagher@legis.wisconsin.gov>; Kreye, Joseph <Joseph.Kreye@legis.wisconsin.gov>
Subject: DOA Drafting - Electronics & IT Manufacturing Zone DNR Changes

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 - No permit or approval is required under ss.30.12, 30.123, 30.19, 30.195, or 281.36 for any activity within the Electronics and Information Technology Manufacturing Zone and the surrounding county as defined in XXXXXXXX (new zone statutory reference).

Thanks,
Megan

Megan Cramer
Department of Administration
Legislative Liaison
608-267-2872