

# State of Misconsin LEGISLATIVE REFERENCE BUREAU

# **RESEARCH APPENDIX -**PLEASE DO NOT REMOVE FROM DRAFTING FILE

Date Transfer Requested: 08/17/2017 (Per: CMH)

# Compile Draft - Appendix L

**Appendix A** The 2017 drafting file for LRBa0939

**Appendix B** The 2017 drafting file for LRBa0950

**Appendix C** The 2017 drafting file for LRBa0951

**Appendix D** The 2017 drafting file for LRBa0953

**Appendix E** ■ The 2017 drafting file for LRBa0956

**Appendix F** The 2017 drafting file for LRBa0962

**Appendix G** The 2017 drafting file for LRBa0969

**Appendix H** ■ The 2017 drafting file for LRBa1000

**Appendix I** ■ The 2017 drafting file for LRBa1010

**Appendix J** The 2017 drafting file for LRBa1042

**Appendix K ☞** The <u>2017</u> drafting file for LRBa1047

**Appendix L** ■ The 2017 drafting file for LRBa1048

has been copied/added to the drafting file for

2017 LRBa1060

#### 2017 Au7 DRAFTING REQUEST

#### Assembly Amendment (AA-ASA1-AB1)

For:

Peter Barca (608) 266-5504

Drafter:

mgallagh

By:

Matt

Secondary Drafters: jkreye

Date:

8/16/2017

May Contact:

Same as LRB:

Submit via email:

YES

Requester's email: Carbon copy (CC) to: Rep.Barca@legis.wisconsin.gov

michael.gallagher@legis.wisconsin.gov

joseph.kreye@legis.wisconsin.gov

Pre Topic:		
No specific pre topic given		
Topic:	 	 
Better deal		

#### **Instructions:**

BETTER DEAL: JOBS CREDITS: Require the company to create at least 1,000 jobs by 2018 and 3,000 in 2022 to be eligible for credits (at the current 17%). Beginning in 2022, the percentage of the jobs tax credit would fluctuate annually based on the level of jobs created and maintained. At 13,000 or more jobs the credit would be for 17% for that year; for 12,000-12,999 it would be 16%; 11,000-11,999(15%); 10,000-10,999 (14%); 9,000+ (13%); 8,000+ (12%); 7,000+ (11%); 6,000+ (10%); 5,000+ (9%); 4,000+ (8%); 3,000+ (7%). If it drops below 3,000 during the length of the contract the company would lose certification and WEDC would be required to clawback to recover all previously paid credits for both jobs and capital. SALES TAX: If the company fails to create 13,000 jobs and maintain them through the contact beginning in 2022, the company would lose the sale tax exemption and be required to repay the state. CAPITAL: Limit construction eligible for the credit to the initial 4 year build out phase. Extend the time for capital credits to be paid out from 7 years to the entire 15 year contract. The credit percentage is reduced from 15% to 10% of costs if the company employs fewer than 13,000 beginning in 2022.

Draftii	ng History:				
Vers.	<u>Drafted</u>	Reviewed	Submitted	Jacketed	Required
/?	jkreye 8/16/2017				
/1		aernsttr 8/16/2017	mbarman 8/16/2017	mbarman 8/16/2017	
FE Ser	nt For:	<]	END>		



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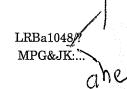
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### State of Misconsin 2017 - 2018 LEGISLATURE

**August 2017 Special Session** 

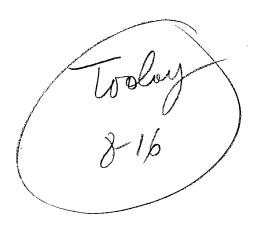


### PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

#### ASSEMBLY AMENDMENT,

### TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

### TO ASSEMBLY BILL 1



1 At the locations indicated, amend the substitute amendment as follows:

1. Page 23, line 1: delete that line and substitute:

"2m. Multiply the amount determined under subd. 1. by a percentage determined as follows:

a. For taxable years beginning after December 31,  $20\overline{17}$ , and before January 1,  $20\overline{22}$ , if the claimant employs at least 1,000 individuals in this state during the taxable year, 17 percent.

b. For taxable years beginning after December 31, 2021, if the claimant employs at least 13,000 individuals in this state during the taxable year, 17 percent; if the claimant employs at least 12,000, but less than 13,000 individuals in this state during the taxable year, 16 percent; if the claimant employs at least 11,000, but less

than 12,000 individuals in this state during the taxable year, 15 percent; if the claimant employs at least 10,000, but less than 11,000 individuals in this state during the taxable year, 14 percent; if the claimant employs at least 9,000, but less than 10,000 individuals in this state during the taxable year, 13 percent; if the claimant employs at least 8,000, but less than 9,000 individuals in this state during the taxable year, 12 percent; if the claimant employs at least 7,000, but less than 8,000 individuals in this state during the taxable year, 11 percent; if the claimant employs at least 6,000, but less than 7,000 individuals in this state during the taxable year, 10 percent; if the claimant employs at least 5,000, but less than 6,000 individuals in this state during the taxable year, 9 percent; if the claimant employs at least 4,000, but less than 5,000 individuals in this state during the taxable year, 8 percent; if the claimant employs at least 3,000, but less than 4,000 individuals in this state during the taxable year, 7 percent; and if the claimant employs less than 3,000 individuals in this state during the taxable year, zero percent."

**2.** Page 27, line 6: delete that line and substitute:

"2m. Multiply the amount determined under subd. 1. by a percentage determined as follows:

- a. For taxable years beginning after December 31, 2017, and before January 1, 2022, if the claimant employs at least 1,000 individuals in this state during the taxable year, 17 percent.
- b. For taxable years beginning after December 31, 2021, if the claimant employs at least 13,000 individuals in this state during the taxable year, 17 percent; if the claimant employs at least 12,000, but less than 13,000 individuals in this state during the taxable year, 16 percent; if the claimant employs at least 11,000, but less

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(16)

than 12,000 individuals in this state during the taxable year, 15 percent; if the claimant employs at least 10,000, but less than 11,000 individuals in this state during the taxable year, 14 percent; if the claimant employs at least 9,000, but less than 10,000 individuals in this state during the taxable year, 13 percent; if the claimant employs at least 8,000, but less than 9,000 individuals in this state during the taxable year, 12 percent; if the claimant employs at least 7,000, but less than 8,000 individuals in this state during the taxable year, 11 percent; if the claimant employs at least 6,000, but less than 7,000 individuals in this state during the taxable year, 10 percent; if the claimant employs at least 5,000, but less than 6,000 individuals in this state during the taxable year, 9 percent; if the claimant employs at least 4,000, but less than 5,000 individuals in this state during the taxable year, 8 percent; if the claimant employs at least 3,000, but less than 4,000 individuals in this state during the taxable year, 7 percent; and if the claimant employs less than 3,000 individuals in this state during the taxable year, zero percent."

3. Page 29, line 15: after "Corporation." insert "A person who enters into a contract with the corporation to claim the credits under s. 238.396 (1m) may not claim the exemption under this subsection in 2022 or in any year thereafter during the period covered by the contract unless the person employs at least 13,000 individuals in this state in 2022 and in each year thereafter during the period covered by the contract. A person who claims the exemption under this subsection and who does not maintain the employment described in this subsection, shall repay to the department the amount of the sales and use taxes the person would have paid if not for this exemption."

4. Page 36, line 3: after "EXPENDITURES." insert "(a)".

1	5. Page 36, line 6: after "zone" insert "and the expenditure is made before
2	January 1, 2022]".
3	6. Page 36, line 7: delete "a period of 7 years" and substitute "the effective
4	period of the zone under sub. $(2)$ ".
5	7. Page 36, line 10: after that line insert:
6	"(b) Notwithstanding par. (a), if a business fails to employ at least 13,000
7	full-time employees in this state on January 1, 2022, the corporation may certify the
8	business to receive additional tax benefits under par. (a) in an amount to be
9	determined by the corporation, but not exceeding 10 percent of the business's capital
10	expenditures.".
11	8. Page 36, line 23: after that line insert:
12	"4g. Fails to employ at least 1,000 full-time employees in this state on
13	December 31, 2018.
14	4r. Fails to employ at least 3,000 full-time employees in this state on January
15	1, 2022, or at any time thereafter during the effective period of the zone under sub.
16	(2).
17	(am) If the corporation revokes a certification under par. (a) $4r$ , the corporation
18	shall revoke all of the business's certifications under subs. (3) and (3m) and the
19	business shall repay all tax benefits the business has already claimed. The
20	corporation and the department of revenue shall share information necessary to
21	administer this paragraph.".

(END)



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#### State of Misconsin 2017 - 2018 LEGISLATURE

**August 2017 Special Session** 

LRBa1048/1 MPG&JK:ahe

# ASSEMBLY AMENDMENT, TO ASSEMBLY SUBSTITUTE AMENDMENT 1, TO ASSEMBLY BILL 1

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2	1. Page 23, line 1: delete that line and substitute.

- **1.** Page 23, line 1: delete that line and substitute:
- Multiply the amount determined under subd. 1. by a percentage "2m. determined as follows:
  - a. For taxable years beginning after December 31, 2017, and before January 1, 2022, if the claimant employs at least 1,000 individuals in this state during the taxable year, 17 percent.
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claimant employs at least 10,000, but less than 11,000 individuals in this state during the taxable year, 14 percent; if the claimant employs at least 9,000, but less than 10,000 individuals in this state during the taxable year, 13 percent; if the claimant employs at least 8,000, but less than 9,000 individuals in this state during the taxable year, 12 percent; if the claimant employs at least 7,000, but less than 8,000 individuals in this state during the taxable year, 11 percent; if the claimant employs at least 6,000, but less than 7,000 individuals in this state during the taxable year, 10 percent; if the claimant employs at least 5,000, but less than 6,000 individuals in this state during the taxable year, 9 percent; if the claimant employs at least 4,000, but less than 5,000 individuals in this state during the taxable year, 8 percent; if the claimant employs at least 3,000, but less than 4,000 individuals in this state during the taxable year, 7 percent; and if the claimant employs less than 3,000 individuals in this state during the taxable year, zero percent."

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- 4. Page 36, line 3: after "EXPENDITURES." insert "(a)".
- 5. Page 36, line 6: after "zone" insert "and the expenditure is made before January 1, 2022".

- **6.** Page 36, line 7: delete "a period of 7 years" and substitute "the effective period of the zone under sub. (2)".
  - 7. Page 36, line 10: after that line insert:
  - "(b) Notwithstanding par. (a), if a business fails to employ at least 13,000 full-time employees in this state on January 1, 2022, the corporation may certify the business to receive additional tax benefits under par. (a) in an amount to be determined by the corporation, but not exceeding 10 percent of the business's capital expenditures."
    - 8. Page 36, line 23: after that line insert:
- "4g. Fails to employ at least 1,000 full-time employees in this state on December 31, 2018.
- 4r. Fails to employ at least 3,000 full-time employees in this state on January
  13 1, 2022, or at any time thereafter during the effective period of the zone under sub.
  14 (2).
  - (am) If the corporation revokes a certification under par. (a) 4r., the corporation shall revoke all of the business's certifications under subs. (3) and (3m) and the business shall repay all tax benefits the business has already claimed. The corporation and the department of revenue shall share information necessary to administer this paragraph.".

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