

2019 DRAFTING REQUEST**Bill**

For: **John Nygren (608) 266-2343** Drafter: **mgallagh**
 By: **Waylon** Secondary Drafters:
 Date: **6/18/2019** May Contact:

Same as LRB:

Submit via email: **YES**
 Requester's email: **Rep.Nygren@legis.wisconsin.gov**
 Carbon copy (CC) to: **michael.gallagher@legis.wisconsin.gov**

Pre Topic:

No specific pre topic given

Topic:

Workforce housing tax credit program.

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	elunder 7/2/2019	kfollett 7/3/2019			
/P1	mgallagh 7/8/2019	kfollett 7/8/2019	lparisi 7/3/2019		
/P2	mgallagh 7/21/2019	kfollett 7/22/2019	jmurphy 7/8/2019		State
/P3	mgallagh 7/23/2019	kfollett 7/23/2019	dwalker 7/22/2019		State
/P4	mgallagh	kfollett	lparisi		State

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P5	mgallagh 8/20/2019	kfollett 8/20/2019	dwalker 7/23/2019		State
/P6			mbarman 9/9/2019		State
/1			lparisi 9/9/2019	lparisi 9/9/2019	State

FE Sent For:

<END>

Gallagher, Michael

From: Hurlburt, Waylon
Sent: Tuesday, June 18, 2019 8:30 AM
To: Gallagher, Michael; Shovers, Marc
Subject: Bill Draft Request

Hello Mike and Marc,

I have a bill draft request. This would not be for the budget. I would like to avoid creating or changing the purpose of appropriations so as to avoid a line item veto. I loosely looked at this [Oregon program](#) to help build this one.

Could I have a bill drafted that requires a transfer of \$10 million from the WHEDA surplus funds balance to the General Fund in FY20? In addition, could we create a transferrable, nonrefundable tax credit for worker housing?

These would be the parameters for the credit:

- WHEDA would administer the program in partnership with WEDC.
- The program would capped to \$10 million.
- The awarding of the credits would only be available through December 31, 2021. Any funds not awarded, (\$10 million – funds awarded) would be transferred back to WHEDA.
- The credits could be carried forward to offset tax liability for up to 10 years. ✓
- The credits would be transferrable. ✓
- The credits would be eligible up to 50% of the construction and/or rehabilitation costs.
- All businesses would be eligible and lending institutions if they finance the project. Award recipients must demonstrate a need for additional manufacturing workers and the lack of adequate housing must be a barrier to getting these workers.
- Only counties with population density of 155 persons per square mile or less would be included.
- Credit recipients must have applied for CDBG funds, local assistance (including TID financing), and WHEDA assistance (including LIHTC's) for the project in order to qualify. CDBG funds include those under the control of local governments such as revolving loan funds. This could be administered by WHEDA as a part of a review of the application to determine if the project would be eligible for these other related housing programs.
- WHEDA would provide a report summary of the awards, how much housing was created, how many workers received housing, how many applications were received, and provide comments and other data on the results of the program by September 31, 2022.

Thank you,

Waylon Hurlburt
Office of Representative John Nygren
Co-Chair, Joint Committee on Finance
608-266-2343

Gallagher, Michael

From: Hurlburt, Waylon
Sent: Tuesday, June 18, 2019 12:03 PM
To: Gallagher, Michael
Cc: Lunder, Erika
Subject: RE: Bill Draft Request

Correct.

From: Gallagher, Michael <Michael.Gallagher@legis.wisconsin.gov>
Sent: Tuesday, June 18, 2019 11:41 AM
To: Hurlburt, Waylon <Waylon.Hurlburt@legis.wisconsin.gov>
Cc: Lunder, Erika <Erika.Lunder@legis.wisconsin.gov>
Subject: RE: Bill Draft Request

Or, do you mean that the draft should provide that one or the other can apply and receive the credit, but not both.

From: Hurlburt, Waylon <Waylon.Hurlburt@legis.wisconsin.gov>
Sent: Tuesday, June 18, 2019 11:39 AM
To: Gallagher, Michael <Michael.Gallagher@legis.wisconsin.gov>
Cc: Lunder, Erika <Erika.Lunder@legis.wisconsin.gov>
Subject: Re: Bill Draft Request

One or the other. Not both.

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On Tue, Jun 18, 2019 at 11:31 AM -0500, "Gallagher, Michael" <Michael.Gallagher@legis.wisconsin.gov> wrote:

Waylon, with respect to the seventh bullet point below, is the intent to make lending institutions financing a project eligible for the tax credit, in addition to the business carrying out the project? I am copying Erika on this e-mail because she and I will be drafting this for you.

Thanks.

Mike

From: Hurlburt, Waylon <Waylon.Hurlburt@legis.wisconsin.gov>
Sent: Tuesday, June 18, 2019 8:30 AM
To: Gallagher, Michael <Michael.Gallagher@legis.wisconsin.gov>; Shovers, Marc <Marc.Shovers@legis.wisconsin.gov>
Subject: Bill Draft Request

Hello Mike and Marc,

I have a bill draft request. This would not be for the budget. I would like to avoid creating or changing the purpose of appropriations so as to avoid a line item veto. I loosely looked at this [Oregon program](#) to help build this one.

Could I have a bill drafted that requires a transfer of \$10 million from the WHEDA surplus funds balance to the General Fund in FY20? In addition, could we create a transferrable, nonrefundable tax credit for worker housing?

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- WHEDA would provide a report summary of the awards, how much housing was created, how many workers received housing, how many applications were received, and provide comments and other data on the results of the program by September 31, 2022.

Thank you,

Waylon Hurlburt
Office of Representative John Nygren
Co-Chair, Joint Committee on Finance
608-266-2343



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-3547/?
MPG&EKL:...

PI
K-f

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

IN: 7/2
DUE: 7/5

1 **AN ACT ...; relating to:** workforce housing tax credits.

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a subsequent version of this draft.

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

2 **SECTION 1.** 71.05 (6) (a) 15. of the statutes is amended to read:

3 71.05 (6) (a) 15. Except as provided under s. 71.07 (3p) (c) 5., the amount of the
4 credits computed under s. 71.07 (2dm), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r),
5 (3rm), (3rn), (3s), (3t), (3w), (3wm), (3y), (4k), (4n), (5e), (5f), (5h), (5i), (5j), (5k), (5r),
6 (5rm), (6n), (8f), (8r), and (10) and not passed through by a partnership, limited
7 liability company, or tax-option corporation that has added that amount to the
8 partnership's, company's, or tax-option corporation's income under s. 71.21 (4) or
9 71.34 (1k) (g).

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, 58, 59, 197, 231, 368; 2019 a. 7.

1 **SECTION 2.** 71.07 (8f) of the statutes is created to read:

2 **71.07 (8f) WORKFORCE HOUSING CREDIT.** (a) *Definitions.* In this subsection:

3 1. "Allocation certificate" means an allocation certificate issued by the
4 Wisconsin Housing and Economic Development Authority under s. 234.045 (3) (a).

5 2. "Claimant" means a person who files a claim under this subsection.

6 (b) *Filing claims.* For taxable years beginning after December 31, 2019, subject
7 to the limitations provided in this subsection and in s. 234.045, a claimant may claim
8 as a credit against the tax imposed under s. 71.02, up to the amount of the tax, the
9 amount specified in the allocation certificate.

10 (c) *Limitations.* 1. No person may claim the credit under par. (b) unless the
11 claimant includes with the claimant's return a copy of the allocation certificate.

12 2. A partnership, limited liability company, or tax-option corporation may not
13 claim the credit under this subsection, but the eligibility for and amount of the credit
14 are based on the amount specified in the allocation certificate. A partnership, limited
15 liability company, or tax-option corporation shall compute the amount of credit that
16 each of its partners, members, or shareholders may claim and shall provide that
17 information to each of them. Partners, members, and shareholders may claim the
18 credit in proportion to their ownership interests.

19 (d) *Carry-forward credit.* If the credit that a claimant may claim under par.
20 (b) is not entirely offset against Wisconsin income or franchise taxes otherwise due,
21 the unused balance shall be carried forward and credited against Wisconsin income
22 or franchise taxes otherwise due for the following 10 taxable years to the extent not
23 offset by these taxes in all intervening years between the year in which the credit is

1 allowed under the allocation certificate and the year in which the carry-forward
2 credit is claimed.

3 ✓ (e) *Transfer*. Any person may sell or otherwise transfer the credit under par.
4 (b), in whole or in part, to another person who is subject to the taxes imposed under
5 s. 71.02, 71.23, or 71.43 if the person notifies the department of the transfer and
6 submits with the notification a copy of the transfer documents, and the department
7 certifies the change in the credit's ownership.

8 (f) *Administration*. Section 71.28 (4) (e), (g), and (h), as it applies to the credit
9 under s. 71.28 (4), applies to the credit under this subsection.

10 **SECTION 3.** 71.10 (4) (fd) of the statutes ~~is~~ created to read:

11 71.10 (4) (fd) Workforce housing credit under s. 71.07 (8f). ✓

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

13 71.21 (4) (a) The amount of the credits computed by a partnership under s.
14 71.07 (2dm), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s), (3t), (3w),
15 (3wm), (3y), (4k), (4n), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), (8f), (8r),
16 and (10) and 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; 2017 a. 58, 197, 368; 2019 a. 7.

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

18 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dm),
19 (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3t), (3w), (3wm), (3y), (5e),
20 (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), (8f), (8r), (9s), and (10) and not passed
21 through by a partnership, limited liability company, or tax-option corporation that
22 has added that amount to the partnership's, limited liability company's, or
23 tax-option corporation's 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; 2017 a. 58, 59, 197, 231, 364; 2017 a. 365 s. 111; 2019 a. 7.

- 1 **SECTION 6.** 71.28 (8f) of the statutes is created to read:
- 2 **71.28 (8f) WORKFORCE HOUSING CREDIT.** (a) *Definitions.* In this subsection:
- 3 1. “Allocation certificate” means an allocation certificate issued by the
- 4 Wisconsin Housing and Economic Development Authority under s. 234.045 (3) (a).
- 5 2. “Claimant” means a person who files a claim under this subsection.
- 6 (b) *Filing claims.* For taxable years beginning after December 31, 2019, subject
- 7 to the limitations provided in this subsection and in s. 234.045, a claimant may claim
- 8 as a credit against the tax imposed under s. 71.23, up to the amount of the tax, the
- 9 amount specified in the allocation certificate.
- 10 (c) *Limitations.* 1. No person may claim the credit under par. (b) unless the
- 11 claimant includes with the claimant’s return a copy of the allocation certificate.
- 12 2. A partnership, limited liability company, or tax-option corporation may not
- 13 claim the credit under this subsection, but the eligibility for and amount of the credit
- 14 are based on the amount specified in the allocation certificate. A partnership, limited
- 15 liability company, or tax-option corporation shall compute the amount of credit that
- 16 each of its partners, members, or shareholders may claim and shall provide that
- 17 information to each of them. Partners, members, and shareholders may claim the
- 18 credit in proportion to their ownership interests.
- 19 (d) *Carry-forward credit.* If the credit that a claimant may claim under par.
- 20 (b) is not entirely offset against Wisconsin income or franchise taxes otherwise due,
- 21 the unused balance shall be carried forward and credited against Wisconsin income
- 22 or franchise taxes otherwise due for the following 10 taxable years to the extent not
- 23 offset by these taxes in all intervening years between the year in which the credit is

1 allowed under the allocation certificate and the year in which the carry-forward
2 credit is claimed.

3 (e) *Transfer*. Any person may sell or otherwise transfer the credit under par.
4 (b), in whole or in part, to another person who is subject to the taxes imposed under
5 s. 71.02, 71.23, or 71.43 if the person notifies the department of the transfer and
6 submits with the notification a copy of the transfer documents, and the department
7 certifies the change in the credit's ownership.

8 (f) *Administration*. Subsection (4) (e), (g), and (h), as it applies to the credit
9 under sub. (4), applies to the credit under this subsection.

10 **SECTION 7.** 71.30 (3) (cu) of the statutes is created to read:

11 71.30 (3) (cu) Workforce housing credit under s. 71.28 (8f).

12 **SECTION 8.** 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 (1dm), (1dx), (1dy), (3), (3g), (3h), (3n), (3p), (3q), (3r),
15 (3rm), (3rn), (3t), (3w), (3wm), (3y), (4), (5), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r),
16 (5rm), (6n), (8f), (8r), and (10) 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, 58, 59, 197, 231; 2019 a. 7.

17 **SECTION 9.** 71.45 (2) (a) 10. of the statutes is amended to read:

18 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
19 computed under s. 71.47 (1dm) to (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn),
20 (3w), (3y), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), (8r), (8f), (9s), and (10)
21 and not passed through by a partnership, limited liability company, or tax-option
22 corporation that has added that amount to the partnership's, limited liability

1 company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g) and
2 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; 2015 a. 55, 216; 2017 a. 59, 197; 2019 a. 7.

3 **SECTION 10.** 71.47 (8f) of the statutes is created to read:

4 **71.47 (8f) WORKFORCE HOUSING CREDIT.** (a) *Definitions.* In this subsection:

5 1. "Allocation certificate" means an allocation certificate issued by the
6 Wisconsin Housing and Economic Development Authority under s. 234.045 (3) (a).

7 2. "Claimant" means a person who files a claim under this subsection.

8 (b) *Filing claims.* For taxable years beginning after December 31, 2019, subject
9 to the limitations provided in this subsection and in s. 234.045, a claimant may claim
10 as a credit against the tax imposed under s. 71.43, up to the amount of the tax, the
11 amount specified in the allocation certificate.

12 (c) *Limitations.* 1. No person may claim the credit under par. (b) unless the
13 claimant includes with the claimant's return a copy of the allocation certificate.

14 2. A partnership, limited liability company, or tax-option corporation may not
15 claim the credit under this subsection, but the eligibility for and amount of the credit
16 are based on the amount specified in the allocation certificate. A partnership, limited
17 liability company, or tax-option corporation shall compute the amount of credit that
18 each of its partners, members, or shareholders may claim and shall provide that
19 information to each of them. Partners, members, and shareholders may claim the
20 credit in proportion to their ownership interests.

21 (d) *Carry-forward credit.* If the credit that a claimant may claim under par.
22 (b) is not entirely offset against Wisconsin income or franchise taxes otherwise due,
23 the unused balance shall be carried forward and credited against Wisconsin income

1 or franchise taxes otherwise due for the following 10 taxable years to the extent not
2 offset by these taxes in all intervening years between the year in which the credit is
3 allowed under the allocation certificate and the year in which the carry-forward
4 credit is claimed.

5 (e) *Transfer*. Any person may sell or otherwise transfer the credit under par.
6 (b), in whole or in part, to another person who is subject to the taxes imposed under
7 s. 71.02, 71.23, or 71.43 if the person notifies the department of the transfer and
8 submits with the notification a copy of the transfer documents, and the department
9 certifies the change in the credit's ownership.

10 (f) *Administration*. Section 71.28 (4) (e), (g), and (h), as it applies to the credit
11 under s. 71.28 (4), applies to the credit under this subsection.

12 **SECTION 11.** 71.49 (1) (cu) of the statutes is created to read:

13 **71.49 (1) (cu)** Workforce housing credit under s. 71.47 (8f).

****NOTE: The above credits (ss. 71.07 (8f), 71.28 (8f), and 71.47 (8f)) can be claimed
to reduce a taxpayer's income or franchise tax liability. Under current law, some tax
credits can reduce the insurer fees in ch. 76 (see, for example, the low-income housing
tax credit in s. 76.639). Do you want a provision allowing the workforce housing credit
to reduce these insurer fees? EKL

14 **SECTION 12.** 234.045 of the statutes is created to read:

15 **234.045 Workforce housing tax credits. (1) DEFINITIONS.** In this section:

16 (a) "Allocation certificate" means a statement issued by the authority certifying
17 that an eligible recipient may claim tax benefits and specifying the amount of the tax
18 benefits that the eligible recipient may claim.

19 (b) "Business" means any business other than a lender.

20 (c) "Lender" means any banking institution, savings bank, savings and loan
21 association, or credit union organized under the laws of this state.

1 (d) "Tax benefits" means the tax credit under s. 71.07 (8f), 71.28 (8f), and 71.47
2 (8f).

3 (2) ESTABLISHMENT OF PROGRAM. The authority shall establish and administer
4 a program under this section for the award of tax benefits to encourage the creation
5 of workforce housing in this state.

6 (3) CERTIFICATIONS. (a) The authority may certify a person to claim tax benefits
7 in an amount determined by the authority by issuing the person an allocation
8 certificate. The allocation certificate shall state the amount the authority
9 determines the person is eligible to claim.

10 (b) The authority may issue an allocation certificate under par. (a) only to a
11 lender financing an eligible workforce housing project or to the business carrying out
12 that project, but not both.

13 (c) A project is an eligible workforce housing project under par. (b) only if all of
14 the following requirements are satisfied:

15 1. The project is for the construction or renovation of residential real property
16 that is located in a county with a population density of less than 155 persons per
17 square mile.

18 2. The lender or business applying for tax benefits demonstrates to the
19 satisfaction of the authority that there is a need for additional manufacturing
20 workers in the area in which the project is located and that a lack of adequate housing
21 in the area is a barrier to filling that need.

22 (d) The authority may not issue an allocation certificate to a lender or business
23 under par. (b) unless the lender or business demonstrates to the satisfaction of the
24 authority that the lender or business has exhausted all funding available from the
25 following:

Lunder, Erika

From: Hurlburt, Waylon
Sent: Friday, July 5, 2019 10:41 AM
To: Lunder, Erika; Gallagher, Michael
Subject: FW: Draft review: LRB -3547/P1
Attachments: 19-3547/P1.pdf

Thanks for turning this around. In regards to the notes in the draft, on page 7 the answer is yes. Let's allow the credit to offset these insurer fees as is allowed for the LIHTCs. On page 9, your current language in regards to WEDC is fine as is.

Am I missing the transfer of \$10 million from the WHEDA surplus balance to the General Fund to offset the cost of this tax credit?

Thanks for updating this.

Can I set up a time to walk through the bill draft with you all?

I am free most of next week. Let me know the best time if that will work.

Thanks,

Waylon Hurlburt
Office of Representative John Nygren
Co-Chair, Joint Committee on Finance
608-266-2343

From: Rep.Nygren <Rep.Nygren@legis.wisconsin.gov>
Sent: Wednesday, July 3, 2019 2:56 PM
To: Hurlburt, Waylon <Waylon.Hurlburt@legis.wisconsin.gov>
Subject: FW: Draft review: LRB -3547/P1

From: LRB.Legal <lrblegal@legis.wisconsin.gov>
Sent: Wednesday, July 03, 2019 2:13 PM
To: Rep.Nygren <Rep.Nygren@legis.wisconsin.gov>
Subject: Draft review: LRB -3547/P1

Following is the PDF version of draft LRB -3547/P1.



PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

Insert A

Present

1 **AN ACT to amend** 71.05 (6) (a) 15., 71.21 (4) (a), 71.26 (2) (a) 4., 71.34 (1k) (g) and
2 71.45 (2) (a) 10.; and **to create** 71.07 (8f), 71.10 (4) (fd), 71.28 (8f), 71.30 (3) (cu),
3 71.47 (8f), 71.49 (1) (cu) and 234.045 of the statutes; **relating to:** workforce
4 housing tax credits.

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a subsequent version of this draft.

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

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7 credits computed under s. 71.07 (2dm), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r),
8 (3rm), (3rn), (3s), (3t), (3w), (3wm), (3y), (4k), (4n), (5e), (5f), (5h), (5i), (5j), (5k), (5r),
9 (5rm), (6n), (8f), (8r), and (10) and not passed through by a partnership, limited

1 liability company, or tax-option corporation that has added that amount to the
2 partnership's, company's, or tax-option corporation's income under s. 71.21 (4) or
3 71.34 (1k) (g).

4 **SECTION 2.** 71.07 (8f) of the statutes is created to read:

5 **71.07 (8f) WORKFORCE HOUSING CREDIT.** (a) *Definitions.* In this subsection:

6 1. "Allocation certificate" means an allocation certificate issued by the
7 Wisconsin Housing and Economic Development Authority under s. 234.045 (3) (a).

8 2. "Claimant" means a person who files a claim under this subsection.

9 (b) *Filing claims.* For taxable years beginning after December 31, 2019, subject
10 to the limitations provided in this subsection and in s. 234.045, a claimant may claim
11 as a credit against the tax imposed under s. 71.02, up to the amount of the tax, the
12 amount specified in the allocation certificate.

13 (c) *Limitations.* 1. No person may claim the credit under par. (b) unless the
14 claimant includes with the claimant's return a copy of the allocation certificate.

15 2. A partnership, limited liability company, or tax-option corporation may not
16 claim the credit under this subsection, but the eligibility for and amount of the credit
17 are based on the amount specified in the allocation certificate. A partnership, limited
18 liability company, or tax-option corporation shall compute the amount of credit that
19 each of its partners, members, or shareholders may claim and shall provide that
20 information to each of them. Partners, members, and shareholders may claim the
21 credit in proportion to their ownership interests.

22 (d) *Carry-forward credit.* If the credit that a claimant may claim under par.
23 (b) is not entirely offset against Wisconsin income or franchise taxes otherwise due,
24 the unused balance shall be carried forward and credited against Wisconsin income
25 or franchise taxes otherwise due for the following 10 taxable years to the extent not

1 offset by these taxes in all intervening years between the year in which the credit is
2 allowed under the allocation certificate and the year in which the carry-forward
3 credit is claimed.

4 (e) *Transfer*. Any person may sell or otherwise transfer the credit under par.

5 (b), in whole or in part, to another person who is subject to the taxes imposed under ^{or fees}

6 s. 71.02, 71.23, or 71.43, if the person notifies the department of the transfer and
7 submits with the notification a copy of the transfer documents, and the department
8 certifies the change in the credit's ownership. ^{or subch. III of ch. 76}

9 (f) *Administration*. Section 71.28 (4) (e), (g), and (h), as it applies to the credit
10 under s. 71.28 (4), applies to the credit under this subsection.

11 **SECTION 3.** 71.10 (4) (fd) of the statutes is created to read:

12 71.10 (4) (fd) Workforce housing credit under s. 71.07 (8f).

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

14 71.21 (4) (a) The amount of the credits computed by a partnership under s.
15 71.07 (2dm), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s), (3t), (3w),
16 (3wm), (3y), (4k), (4n), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), (8f), (8r),
17 and (10) and passed through to partners shall be added to the partnership's income.

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

19 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dm),
20 (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3t), (3w), (3wm), (3y), (5e),
21 (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), (8f), (8r), (9s), and (10) and not passed
22 through by a partnership, limited liability company, or tax-option corporation that
23 has added that amount to the partnership's, limited liability company's, or
24 tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g).

25 **SECTION 6.** 71.28 (8f) of the statutes is created to read:

1 71.28 (8f) WORKFORCE HOUSING CREDIT. (a) *Definitions*. In this subsection:

2 1. "Allocation certificate" means an allocation certificate issued by the
3 Wisconsin Housing and Economic Development Authority under s. 234.045 (3) (a).

4 2. "Claimant" means a person who files a claim under this subsection.

5 (b) *Filing claims*. For taxable years beginning after December 31, 2019, subject
6 to the limitations provided in this subsection and in s. 234.045, a claimant may claim
7 as a credit against the tax imposed under s. 71.23, up to the amount of the tax, the
8 amount specified in the allocation certificate.

9 (c) *Limitations*. 1. No person may claim the credit under par. (b) unless the
10 claimant includes with the claimant's return a copy of the allocation certificate.

11 2. A partnership, limited liability company, or tax-option corporation may not
12 claim the credit under this subsection, but the eligibility for and amount of the credit
13 are based on the amount specified in the allocation certificate. A partnership, limited
14 liability company, or tax-option corporation shall compute the amount of credit that
15 each of its partners, members, or shareholders may claim and shall provide that
16 information to each of them. Partners, members, and shareholders may claim the
17 credit in proportion to their ownership interests.

18 (d) *Carry-forward credit*. If the credit that a claimant may claim under par.
19 (b) is not entirely offset against Wisconsin income or franchise taxes otherwise due,
20 the unused balance shall be carried forward and credited against Wisconsin income
21 or franchise taxes otherwise due for the following 10 taxable years to the extent not
22 offset by these taxes in all intervening years between the year in which the credit is
23 allowed under the allocation certificate and the year in which the carry-forward
24 credit is claimed.

1 (e) *Transfer*. Any person may sell or otherwise transfer the credit under par.
2 (b), in whole or in part, to another person who is subject to the taxes imposed under
3 s. 71.02, 71.23, or 71.43 if the person notifies the department of the transfer and
4 submits with the notification a copy of the transfer documents, and the department
5 certifies the change in the credit's ownership. *or fees*
or subch. III of ch. 76

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

8 **SECTION 7.** 71.30 (3) (cu) of the statutes is created to read:

9 71.30 (3) (cu) Workforce housing credit under s. 71.28 (8f).

10 **SECTION 8.** 71.34 (1k) (g) of the statutes is amended to read:

11 71.34 (1k) (g) An addition shall be made for credits computed by a tax-option
12 corporation under s. 71.28 (1dm), (1dx), (1dy), (3), (3g), (3h), (3n), (3p), (3q), (3r),
13 (3rm), (3rn), (3t), (3w), (3wm), (3y), (4), (5), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r),
14 (5rm), (6n), (8f), (8r), and (10) and passed through to shareholders.

15 **SECTION 9.** 71.45 (2) (a) 10. of the statutes is amended to read:

16 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
17 computed under s. 71.47 (1dm) to (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn),
18 (3w), (3y), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), (8f), (8r), (9s), and (10)
19 and not passed through by a partnership, limited liability company, or tax-option
20 corporation that has added that amount to the partnership's, limited liability
21 company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g) and
22 the amount of credit computed under s. 71.47 (1), (3), (3t), (4), (4m), and (5).

23 **SECTION 10.** 71.47 (8f) of the statutes is created to read:

24 71.47 (8f) WORKFORCE HOUSING CREDIT. (a) *Definitions*. In this subsection:

1 1. “Allocation certificate” means an allocation certificate issued by the
2 Wisconsin Housing and Economic Development Authority under s. 234.045 (3) (a).

3 2. “Claimant” means a person who files a claim under this subsection.

4 (b) *Filing claims.* For taxable years beginning after December 31, 2019, subject
5 to the limitations provided in this subsection and in s. 234.045, a claimant may claim
6 as a credit against the tax imposed under s. 71.43, up to the amount of the tax, the
7 amount specified in the allocation certificate.

8 (c) *Limitations.* 1. No person may claim the credit under par. (b) unless the
9 claimant includes with the claimant’s return a copy of the allocation certificate.

10 2. A partnership, limited liability company, or tax-option corporation may not
11 claim the credit under this subsection, but the eligibility for and amount of the credit
12 are based on the amount specified in the allocation certificate. A partnership, limited
13 liability company, or tax-option corporation shall compute the amount of credit that
14 each of its partners, members, or shareholders may claim and shall provide that
15 information to each of them. Partners, members, and shareholders may claim the
16 credit in proportion to their ownership interests.

17 (d) *Carry-forward credit.* If the credit that a claimant may claim under par.
18 (b) is not entirely offset against Wisconsin income or franchise taxes otherwise due,
19 the unused balance shall be carried forward and credited against Wisconsin income
20 or franchise taxes otherwise due for the following 10 taxable years to the extent not
21 offset by these taxes in all intervening years between the year in which the credit is
22 allowed under the allocation certificate and the year in which the carry-forward
23 credit is claimed.

24 (e) *Transfer.* Any person may sell or otherwise transfer the credit under par.
25 (b), in whole or in part, to another person who is subject to the taxes imposed under

or fees

or subch. III of ch. 76

1 s. 71.02, 71.23, or 71.43 if the person notifies the department of the transfer and
2 submits with the notification a copy of the transfer documents, and the department
3 certifies the change in the credit's ownership.

4 (f) *Administration*. Section 71.28 (4) (e), (g), and (h), as it applies to the credit
5 under s. 71.28 (4), applies to the credit under this subsection.

6 **SECTION 11.** 71.49 (1) (cu) of the statutes is created to read:

7 **71.49 (1) (cu)** Workforce housing credit under s. 71.47 (8f).

****NOTE: The above credits (ss. 71.07 (8f), 71.28 (8f), and 71.47 (8f)) can be claimed to reduce a taxpayer's income or franchise tax liability. Under current law, some tax credits can reduce the insurer fees in ch. 76 (see, for example, the low-income housing tax credit in s. 76.639). Do you want a provision allowing the workforce housing credit to reduce these insurer fees? EKL

INS 7-8 →

8 **SECTION 12.** 234.045 of the statutes is created to read:

9 **234.045 Workforce housing tax credits. (1) DEFINITIONS.** In this section:

10 (a) "Allocation certificate" means a statement issued by the authority certifying
11 that an eligible recipient may claim tax benefits and specifying the amount of the tax
12 benefits that the eligible recipient may claim.

13 (b) "Business" means any business other than a lender.

14 (c) "Lender" means any banking institution, savings bank, savings and loan
15 association, or credit union organized under the laws of this state. SS

16 (d) "Tax benefits" means the tax credit under s. 71.07 (8f), 71.28 (8f), and 71.47
17 (8f), and 76.6395

18 **(2) ESTABLISHMENT OF PROGRAM.** The authority shall establish and administer
19 a program under this section for the award of tax benefits to encourage the creation
20 of workforce housing in this state.

21 **(3) CERTIFICATIONS.** (a) The authority may certify a person to claim tax benefits
22 in an amount determined by the authority by issuing the person an allocation

1 certificate. The allocation certificate shall state the amount the authority
2 determines the person is eligible to claim.

3 (b) The authority may issue an allocation certificate under par. (a) only to a
4 lender financing an eligible workforce housing project or to the business carrying out
5 that project, but not both.

6 (c) A project is an eligible workforce housing project under par. (b) only if all of
7 the following requirements are satisfied:

8 1. The project is for the construction or renovation of residential real property
9 that is located in a county with a population density of less than 155 persons per
10 square mile.

11 2. The lender or business applying for tax benefits demonstrates to the
12 satisfaction of the authority that there is a need for additional manufacturing
13 workers in the area in which the project is located and that a lack of adequate housing
14 in the area is a barrier to filling that need.

15 (d) The authority may not issue an allocation certificate to a lender or business
16 under par. (b) unless the lender or business demonstrates to the satisfaction of the
17 authority that the lender or business has exhausted all funding available from the
18 following:

- 19 1. Community development block grants.
20 2. Local assistance, including tax incremental financing.
21 3. Other assistance under programs administered by the authority.

22 (4) LIMITATIONS. (a) The authority may not certify a person to claim tax benefits
23 under sub. (3) in an amount that exceeds 50 percent of the total cost of the eligible
24 workforce housing project.

1 (b) The aggregate amount of all tax benefits for which the authority certifies
2 persons in allocation certificates issued under sub. (3) may not exceed \$10,000,000.

3 (5) COORDINATION. In administering this section, the authority shall coordinate
4 with the Wisconsin Economic Development Corporation.

****NOTE: Is there a specific role you wish WEDC to play? MPG

5 (6) REPORT. No later than September 31, 2022, the authority shall submit a
6 report to the joint committee on finance that includes all of the following:

7 (a) A summary of all awards of tax benefits.

8 (b) The number of applications for tax benefits the authority received.

9 (c) A description of how much workforce housing was created as a result of the
10 program.

11 (d) The number of workers who received housing as a result of the program.

12 (e) The authority's assessment, including relevant data, of the overall success
13 of the program.

14 (7) SUNSET. The authority may not issue an allocation certificate under sub.

15 (3) after December 31, 2021.

16

(END)

Insert 9-15

1 INS A

This bill creates a workforce housing tax credit program administered by the Wisconsin Housing and Economic Development Authority.

Under the bill, WHEDA may certify a person to claim a nonrefundable credit to offset income and franchise taxes if all of the following conditions are satisfied:

1. The project for which the credit is issued is an eligible workforce housing project. Under the bill, a project is an eligible workforce housing project only if the project is for the construction or renovation of residential real property located in a county with a population density of less than 155 persons per square mile, there is a need for additional manufacturing workers in the area in which the project is located, and a lack of adequate housing in the area is a barrier to filling that need.

2. The person either is a lender financing an eligible workforce housing project or is a business carrying out such a project.

3. The person has exhausted all funding available for the project from community development block grants, local assistance, including tax incremental financing, and other assistance available from WHEDA.

Under the bill, WHEDA may not certify a person to claim a workforce housing tax credit in an amount that exceeds 50 percent of the total cost of the eligible workforce housing project. Additionally, WHEDA may not award more than \$10,000,000 in workforce housing tax credits and no credit may be awarded after December 31, 2021. The bill requires WHEDA to transfer \$10,000,000 from its surplus fund to the state's general fund as an offset against the tax credits WHEDA awards under the program.

Finally, the bill requires WHEDA to coordinate with the Wisconsin Economic Development Corporation to administer the tax credit program, and WHEDA must submit a report on the program to the Joint Committee on Finance no later than September 31, 2022.

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

2 INS 7-8

3 **SECTION 1.** 76.6395 of the statutes is created to read:

4 **76.6395 Workforce housing credit.** (1) DEFINITIONS. In this section:

5 (a) "Allocation certificate" means an allocation certificate issued by the
6 Wisconsin Housing and Economic Development Authority under s. 234.045 (3) (a).

7 (b) "Claimant" means a person who files a claim under this subsection.

1 **(2) FILING CLAIMS.** For taxable years beginning after December 31, 2019,
2 subject to the limitations provided in this section and in s. 234.045, a claimant may
3 claim as a credit against the fees imposed under s. 76.60, 76.63, 76.65, 76.66, or 76.67
4 the amount specified in the allocation certificate.

5 **(3) LIMITATIONS.** No person may claim the credit under sub. (2) unless the
6 claimant includes with the claimant's return a copy of the allocation certificate.

7 **(4) CARRY-FORWARD.** If the credit that a claimant may claim under sub. (2) is
8 not entirely offset against the fees under s. 76.60, 76.63, 76.65, 76.66, or 76.67
9 otherwise due, the unused balance shall be carried forward and credited against
10 those fees for the following 10 taxable years to the extent not offset by the fees in all
11 intervening years between the year in which the credit is allowed under the
12 allocation certificate and the year in which the carry-forward credit is claimed.

13 **(5) TRANSFER.** Any person may sell or otherwise transfer the credit under sub.
14 (2), in whole or in part, to another person who is subject to the taxes or fees imposed
15 under s. 71.02, 71.23, 71.43, 76.60, 76.63, 76.65, 76.66, or 76.67 if the person notifies
16 the department of the transfer and submits with the notification a copy of the
17 transfer documents, and the department certifies the change in the credit's
18 ownership.

19 **SECTION 2.** 76.67 (2) of the statutes is amended to read:

20 **76.67 (2)** If any domestic insurer is licensed to transact insurance business in
21 another state, this state may not require similar insurers domiciled in that other
22 state to pay taxes greater in the aggregate than the aggregate amount of taxes that
23 a domestic insurer is required to pay to that other state for the same year less the
24 credits under ss. 76.635, 76.636, 76.637, 76.638, 76.639, 76.6395, and 76.655, except
25 that the amount imposed shall not be less than the total of the amounts due under

1 ss. 76.65 (2) and 601.93 and, if the insurer is subject to s. 76.60, 0.375 percent of its
2 gross premiums, as calculated under s. 76.62, less offsets allowed under s. 646.51 (7)
3 or under ss. 76.635, 76.636, 76.637, 76.638, 76.639, 76.6395, and 76.655 against that
4 total, and except that the amount imposed shall not be less than the amount due
5 under s. 601.93.

History: 1975 c. 372 s. 41; 1979 c. 34; 1979 c. 102 s. 26; 1979 c. 177; Stats. 1979 s. 76.67; 1983 a. 27; 1989 a. 31; 1999 a. 30; 2005 a. 74, 259; 2009 a. 2, 28; 2017 a. 176.

6 INS 9-15

7 **SECTION 3. Nonstatutory provisions.**

8 (1) Notwithstanding s. 234.165 (2) (c), no later than June 30, 2020, the
9 Wisconsin Housing and Economic Development Authority shall pay \$10,000,000
10 from the authority's surplus fund to the secretary of administration for deposit in the
11 general fund.

Gallagher, Michael

From: Hurlburt, Waylon
Sent: Wednesday, July 10, 2019 2:36 PM
To: Gallagher, Michael
Cc: Lunder, Erika
Subject: RE: Draft review: LRB -3547/P1
Attachments: CDBG Close LFB Memo.pdf; Worker Housing Tax Credit Comparison.xlsx

Thanks for meeting with me today.

From: Gallagher, Michael <Michael.Gallagher@legis.wisconsin.gov>
Sent: Monday, July 8, 2019 7:40 AM
To: Hurlburt, Waylon <Waylon.Hurlburt@legis.wisconsin.gov>
Cc: Lunder, Erika <Erika.Lunder@legis.wisconsin.gov>
Subject: Re: Draft review: LRB -3547/P1

Waylon, I will be in at noon and will be in touch after that.

Mike

Sent from my iPhone

On Jul 5, 2019, at 4:53 PM, Hurlburt, Waylon <Waylon.Hurlburt@legis.wisconsin.gov> wrote:

Sounds good. Thanks.

Get [Outlook for Android](#)

On Fri, Jul 5, 2019 at 4:40 PM -0500, "Gallagher, Michael"
<Michael.Gallagher@legis.wisconsin.gov> wrote:

I may have inadvertently left the transfer out. I will get a redraft to you on Monday with analysis. I am out today but generally available next week. Let's touch base on Monday to set up a meeting.

Mike

Sent from my iPhone

On Jul 5, 2019, at 10:40 AM, Hurlburt, Waylon <Waylon.Hurlburt@legis.wisconsin.gov> wrote:

Thanks for turning this around. In regards to the notes in the draft, on page 7 the answer is yes. Let's allow the credit to offset these insurer fees as is allowed for the LIHTCs. On page 9, your current language in regards to WEDC is fine as is.

Am I missing the transfer of \$10 million from the WHEDA surplus balance to the General Fund to offset the cost of this tax credit?

Thanks for updating this.

Can I set up a time to walk through the bill draft with you all?

I am free most of next week. Let me know the best time if that will work.

Thanks,

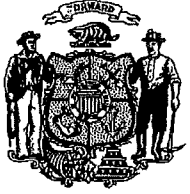
Waylon Hurlburt
Office of Representative John Nygren
Co-Chair, Joint Committee on Finance
608-266-2343

From: Rep.Nygren <Rep.Nygren@legis.wisconsin.gov>
Sent: Wednesday, July 3, 2019 2:56 PM
To: Hurlburt, Waylon <Waylon.Hurlburt@legis.wisconsin.gov>
Subject: FW: Draft review: LRB -3547/P1

From: LRB.Legal <lrblegal@legis.wisconsin.gov>
Sent: Wednesday, July 03, 2019 2:13 PM
To: Rep.Nygren <Rep.Nygren@legis.wisconsin.gov>
Subject: Draft review: LRB -3547/P1

Following is the PDF version of draft LRB -3547/P1.

<19-3547_P1.pdf>



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873
Email: fiscal.bureau@legis.wisconsin.gov • Website: <http://legis.wisconsin.gov/lfb>

February 19, 2019

TO: Representative John Nygren
Room 308 East, State Capitol

FROM: Angela Miller, Fiscal Analyst

SUBJECT: Community Development Block Grant - CLOSE Program

At your request, this memorandum provides information relating to the state's administration of the Community Development Block Grant - CLOSE Program (CDBG-CLOSE). Specifically, you requested the following: (a) a description of the program; and (b) an estimate of how much funding may be available under the program.

CDBG-CLOSE in Wisconsin

The Department of Administration's Division of Energy, Housing and Community Resources (DEHCR) administers CDBG programs in Wisconsin. Funding for CDBG is provided by the U.S. Department of Housing and Urban Development (HUD) for the primary benefit of low- to moderate-income persons. There are two other HUD-specified national objective categories which are not strictly tied to income level: (a) urgent local need; and (b) elimination or prevention of slums and blight.

The CDBG - Economic Development Program (CDBG-ED) awards funds to local governments to make loans to assist businesses with creating or retaining jobs for LMI persons. When funds from this program are repaid by the business, the funds are deposited into a Revolving Loan Fund (RLF) for Economic Development maintained by the local government to be loaned to other businesses.

The Division, in consultation with HUD, has decided to phase out the revolving loan component of CDBG-ED and to re-allocate accumulated loan funds through a grant program referred to as CDBG-CLOSE. The program only applies to economic development RLFs and does not impact other CDBG programs. The program is mandatory for all economic development RLFs awarded after December 31, 1991. Local governments that administered RLFs must return all associated funds to DEHCR by January 31, 2021.

After returning funds to DEHCR, each community will have non-competitive access to the funds previous held by that community in the form of grants for eligible projects. Under the agreement with HUD, communities may utilize their RLF closeout grant award for the following eligible projects: (a) public facilities; (b) housing rehabilitation conversion; (c) economic development; (d) public facilities for economic development; (e) planning; (f) public infrastructure to expand broadband internet access; (g) mitigation measures that address natural hazard risks; and (h) public services. Grants are limited to projects that meet a CDBG national objective.

CDBG-CLOSE Funding in Wisconsin

An estimate of how much funding may be available under the CDBG-CLOSE program cannot be provided at this time because DEHCR is in the process of verifying the balance of economic development RLFs in each community. However, the attached table shows estimated balances as self-reported by participating local units of government. These self-reports indicate that \$50.7 million may be available through CDBG-CLOSE for grants associated with CDBG activities. As of February 12, 2019, no RLFs have been returned to DEHCR.

It should be noted that any funds available under the program will be federally restricted as detailed in the CDBG-CLOSE plan, approved by HUD on December 11, 2018. As stated previously, each community in compliance with the program will have non-competitive access to funds previously held by that community. Any remaining amounts not requested by or granted back to the community may be awarded through a competitive process to other communities for eligible CDBG projects, as detailed in the attached CDBG-CLOSE plan.

I hope this information is of assistance.

AM/lb
Attachments

ATTACHMENT 1

CDBG Economic Development Revolving Loan Fund Estimated Balances, February, 2019

<u>Unit of Local Government</u>	<u>County</u>	<u>Estimated Balance</u>
Ashland, City of	Ashland	\$424,300
Ashland, County of	Ashland	285,500
Prairie Farm, Village of	Barron	257,000
Brown, County of	Brown	2,314,600
Howard, Village of	Brown	549,300
Buffalo, County of	Buffalo	393,100
Brillion, City of	Calumet	76,100
Calumet, County of	Calumet	968,400
Cambria, Village of	Columbia	81,200
Columbia, County of	Columbia	1,083,900
Columbus, City of	Columbia	290,600
Portage, City of	Columbia	107,700
Wisconsin Dells, City of	Columbia	128,300
Mazomanie, Village of	Dane	38,000
Sun Prairie, City of	Dane	143,300
Dodge, County of	Dodge	413,800
Horicon, City of	Dodge	183,500
Juneau, City of	Dodge	253,400
Door, County of	Door	977,200
Florence, County of	Florence	85,200
Fond du Lac, County of	Fond du Lac	1,976,600
Ripon, City of	Fond du Lac	242,400
Laona, Town of	Forest	60,100
Boscobel, City of	Grant	204,700
Cuba City, City of	Grant	166,200
Grant, County of	Grant	189,000
Muscoda, Village of	Grant	400,200
Green, County of	Green	698,500
Monroe, City of	Green	986,400
Berlin, City of	Green Lake	181,700
Tri-County Regional Economic Development Group	Green Lake, Marquette, and Waushara	127,800
Iowa, County of	Iowa	400,000
Jackson, County of	Jackson	767,100
Fort Atkinson, City of	Jefferson	229,100
Jefferson, City of	Jefferson	213,300

<u>Unit of Local Government</u>	<u>County</u>	<u>Estimated Balance</u>
Jefferson, County of	Jefferson	\$645,800
Lake Mills, City of	Jefferson	320,900
Elroy, City of	Juneau	85,900
Juneau, County of	Juneau	704,500
Mauston, City of	Juneau	307,800
Kenosha, County of	Kenosha	2,720,400
Kewaunee, County of	Kewaunee	1,229,700
La Crosse, County of	La Crosse	494,300
Darlington, City of	Lafayette	75,200
Lafayette, County of	Lafayette	109,400
Shullsburg, City of	Lafayette	89,300
Langlade, County of	Langlade	599,000
Manitowoc, City of	Manitowoc	1,460,600
Manitowoc, County of	Manitowoc	954,700
Maribel, Village of	Manitowoc	83,000
Marinette, City of	Marinette	585,900
Marinette, County of	Marinette	338,600
Kendall, Village of	Monroe	15,900
Monroe, County of	Monroe	574,300
Sparta, City of	Monroe	573,900
Tomah, City of	Monroe	243,300
Oconto Falls, City of	Oconto	1,366,900
Oconto, County of	Oconto	892,100
Oneida, County of	Oneida	748,100
Little Chute, Village of	Outagamie	336,500
Outagamie, County of	Outagamie	792,300
Seymour, City of	Outagamie	262,400
Cedarburg, City of	Ozaukee	891,900
Ozaukee, County of	Ozaukee	708,500
Pepin, County of	Pepin	154,900
Pierce, County of	Pierce	1,163,500
Burlington, City of	Racine	645,700
Racine, County of	Racine	998,900
Union Grove, Village of	Racine	265,600
Richland, County of	Richmond	1,061,300
Edgerton, City of	Rock	162,400
Rock, County of	Rock	412,200
Baraboo, City of	Sauk	20,600
Sauk, County of	Sauk	264,500
Shawano, City of	Shawano	451,600

<u>Unit of Local Government</u>	<u>County</u>	<u>Estimated Balance</u>
Shawano, County of	Shawano	\$587,200
Wittenberg, Village of	Shawano	58,700
Cascade, Village of	Sheboygan	20,100
Oostburg, Village of	Sheboygan	293,000
Sheboygan, County of	Sheboygan	940,200
Sheboygan, Town of	Sheboygan	799,100
Medford, City of	Taylor	185,000
Taylor, County of	Taylor	587,200
Osseo, City of	Trempealeau	154,100
Hillsboro, City of	Vernon	200,000
Vernon, County of	Vernon	286,500
Elkhorn, City of	Walworth	1,767,800
Whitewater, City of	Walworth	332,800
Washburn, County of	Washburn	329,300
Hartford, City of	Washington	644,800
Washington, County of	Washington	55,600
West Bend, City of	Washington	133,900
Menomonee Falls, Village of	Waukesha	989,600
Muskego, City of	Waukesha	572,200
New London, City of	Waupaca	355,500
Waupaca, County of	Waupaca	342,300
Winnebago, County of	Winnebago	878,500
Winneconne, Village of	Winnebago	<u>454,100</u>
Total		\$50,677,300

	Federal LIHTC	State LIHTC	LRB 3547 - Workforce Housing Credit	State Historic Tax Credit
Percentage	4% and 9% Credit	Determined by WHEDA. Intended to mirror the federal 4% credit.	Determined by WHEDA. Intended to be approximately a 6.5% credit annual credit.	20% Credit
Intended Offset	Intended to offset 30% and 70% of the total project costs respectively. Can be claimed against individual income, corporate income/franchise, and insurance premium taxes.	No project limit. Can be claimed against individual income, corporate income/franchise, and insurance premium taxes.	50% of the total project cost. Can be claimed against individual income, corporate income/franchise, and insurance premium taxes.	20% of rehabilitation expenditures as a supplement to the federal credit. Can be claimed against individual income, corporate income/franchise, and insurance premium taxes.
Offsets	Nonrefundable	Nonrefundable	Nonrefundable	Nonrefundable
Refundability	Yes	Yes	Yes	Yes
Transferable	Yes	Yes	Yes	Yes
Carry-Forward	10 Years	6 years to claim and can be carried forward for 15 years if the claimant cannot use the credit.	10 Years	15 Years
Entities Eligible to Claim the Credit	Developers and typically sold to investors for up-front financing.	Developers and typically sold to investors for up-front financing.	The developer, the business in need of workers or the financial institution financing the project.	Property owner.
Income Eligibility	20% of housing units must be at or below 50% median income or 40% of all units must be at or below 60% of County Median Income (CMI).	Same as federal LIHTC.	None.	None.
Funding Limits	The 4% credit is unlimited for properties financed with at least 50% tax exempt bonds. The 9% credit is allocated based on population. The 2018 credit allocation was \$15.65 million.	\$7 million annually for a total \$42 million annual maximum program.	\$10 million maximum program.	\$3.5 million per parcel.
Eligible Areas	Determined through the WHEDA Qualified Allocation Plan.	Preference for developments in cities, towns, and villages with populations below 150,000.	Counties with population density of less than 155 persons per square mile, in need of manufacturing workers, and lacking adequate housing in the area as a barrier to filling this need.	Historic sites as determined by the state Historical Society.
Administering Entity	WHEDA	WHEDA	WHEDA	WEDC

10 4 30 13.3%
10 9 70 12.9%
10 6.5 50 13.0%

7/10/2019



MPF
-3547

Meet w/ Waylon:

- ✓ (1) other typical tax credit provisions
- ✓ (2) Add developer to eligible recipients.
- ✓ (3) Authorize WISEDPA to charge fee for App.
- ✓ EXL (4) Credit should be excluded from income.
- ✓ (5) Incorporate typical WISEDPA income limits.
- ✓ (6) Require DOT to submit report regarding community development block grant funding - see LIB memo



Waylon (Rep. Nygren)

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- WJ Mike

- delete provisions adding credit to income
in order to equalize treatment w/ LIHTC

- Keep 10-year carryforward as is