

2019 DRAFTING REQUEST

Bill

For: Rob Summerfield (608) 266-1194 Drafter: mshovers  
 By: Matalin Secondary Drafters:  
 Date: 1/14/2020 May Contact:

Same as LRB:

Submit via email: YES  
 Requester's email: Rep.Summerfield@legis.wisconsin.gov  
 Carbon copy (CC) to: Erika.Lunder@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Older housing rehabilitation tax credit

Instructions:

See attached

Drafting History:

| <u>Vers.</u> | <u>Drafted</u>        | <u>Reviewed</u>       | <u>Submitted</u>     | <u>Jacketed</u>      | <u>Required</u> |
|--------------|-----------------------|-----------------------|----------------------|----------------------|-----------------|
| /?           | mshovers<br>1/14/2020 | ccarmich<br>1/14/2020 |                      |                      |                 |
| /P1          |                       |                       | dwalker<br>1/14/2020 |                      | State<br>S&L    |
| /1           |                       |                       | mbarman<br>1/15/2020 | mbarman<br>1/15/2020 | State<br>S&L    |

FE Sent For: At Intro

<END>

## Shovers, Marc

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**From:** Schoone, Matalin  
**Sent:** Tuesday, January 14, 2020 12:43 PM  
**To:** Shovers, Marc  
**Cc:** Lunder, Erika  
**Subject:** RE: Housing Bills Re-draft Request

Hi Marc,

Feel free to transfer over the entirety of the files for all /P1s and Sen. Testin's companion.

Thanks,  
Matalin

*Matalin Schoone*  
Research Assistant  
State Representative Rob Summerfield  
67<sup>th</sup> Assembly District  
608-266-1194

---

**From:** Shovers, Marc <Marc.Shovers@legis.wisconsin.gov>  
**Sent:** Tuesday, January 14, 2020 12:30 PM  
**To:** Schoone, Matalin <Matalin.Schoone@legis.wisconsin.gov>  
**Cc:** Lunder, Erika <Erika.Lunder@legis.wisconsin.gov>  
**Subject:** RE: Housing Bills Re-draft Request

OK, so you're looking for new bill numbers, drafted as a /P1. Would you like any part of the drafting files transferred into the new bill file? If you don't want the entire file transferred, are there parts you'd like to pull out so the file has some drafting instructions?

I can also do the companion of -3862/P6 for Sen. Testin. Is there any part of that bill's drafting file that you'd like transferred into the file for Sen. Testing? Again, there should be some drafting instructions if you don't want to include the entire file. Maybe just a sentence similar to the relating clause, "create a refundable individual income tax credit for certain expenses incurred in the rehabilitation of an older home"?

Thanks,

Marc

Marc Shovers  
Senior Legislative Attorney  
Legislative Reference Bureau  
608-504-5876  
[marc.shovers@legis.wisconsin.gov](mailto:marc.shovers@legis.wisconsin.gov)

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**From:** Schoone, Matalin <[Matalin.Schoone@legis.wisconsin.gov](mailto:Matalin.Schoone@legis.wisconsin.gov)>  
**Sent:** Tuesday, January 14, 2020 12:17 PM  
**To:** Lunder, Erika <[Erika.Lunder@legis.wisconsin.gov](mailto:Erika.Lunder@legis.wisconsin.gov)>; Shovers, Marc <[Marc.Shovers@legis.wisconsin.gov](mailto:Marc.Shovers@legis.wisconsin.gov)>  
**Cc:** Schultz, Jeff <[Jeff.Schultz@legis.wisconsin.gov](mailto:Jeff.Schultz@legis.wisconsin.gov)>  
**Subject:** Housing Bills Re-draft Request

Hi Erika & Marc,

Our office would like to have the attached bill drafts (LRB 3991/4, LRB 3862/6, & LRB 1424/5) re-drafted as P1s, please.

Additionally, we would like a Senate companion drafted for LRB 3862/6 and sent to Sen. Testin's office (staffer, Jeff, CC'd).

Thanks,

*Matalin Schoone*  
Research Assistant  
State Representative Rob Summerfield  
67<sup>th</sup> Assembly District  
608-266-1194



# RESEARCH APPENDIX

## Drafting History Reproduction Request Form

Drafting Attorneys: Please complete form below and give to Mike Barman (lead PA).

|              |            |
|--------------|------------|
| Requested by | MES        |
| Date         | 01-14-2020 |

\*Note: Except for companion bills, both drafts should have same requester.

|                           |  |               |              |
|---------------------------|--|---------------|--------------|
| <input type="checkbox"/>  | Please transfer the drafting file for: |               | Done<br>9/13 |
| 2017 LRB                  |  | For Rep./Sen. |              |
| To the drafting file for: |  |               |              |
| 2019 LRB                  |  | For Rep./Sen. |              |

OR

|  |                                    |  |
|--|------------------------------------|--|
| <input checked="" type="checkbox"/>    | Please copy the drafting file for: |  |
| 2019 LRB                               | 3862 / Pb                          | For Rep./Sen. Summerfield              |
| And place it in the drafting file for: |                                    |  |
| 2019 LRB                               | 5351                               | For Rep./Sen. Summerfield              |
| Companion bills?                       | <input type="checkbox"/> YES*      | <input checked="" type="checkbox"/> NO |

\*If yes, the transfer or copy of the file was authorized by whom in the original requester's office?

Matalin @ Rep Summerfield



State of Wisconsin  
2019 - 2020 LEGISLATURE

- 5351/P1  
LRB-8862/P6

MES:cdc

RMR

**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION**

1 **AN ACT to amend** 71.10 (4) (i); and **to create** 20.835 (2) (cb) and 71.07 (8m) of  
2 the statutes; **relating to:** creating a refundable individual income tax credit for  
3 certain expenses incurred in the rehabilitation of an older home and making an  
4 appropriation.

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***Analysis by the Legislative Reference Bureau***

Subject to a number of limitations and conditions, this bill creates a refundable individual income tax credit of 10 percent of the amount spent by the claimant on qualified rehabilitation expenditures on a construction or reconstruction project on eligible housing. Under the bill, eligible housing is defined as a single-family residence that is the claimant's primary residence, provided that the initial construction of the residence was completed before 1980 and the fair market value of the residence is equal to or less than the median price of a single-family residence located in the same county.

The maximum credit amount is \$15,000 per claimant, which is 10 percent of up to \$150,000 spent on qualified rehabilitation expenditures. If a married couple files a joint return, only one spouse may claim the credit. If the eligible housing is owned by two or more individuals who are not married and do not have equal ownership, the credit may be claimed based on the individual who incurs costs and the ownership interest. For a project benefitting one owner, the credit may be claimed by that individual based on qualified rehabilitation expenditures incurred individually or, for projects benefitting two or more owners, the credit may be claimed by each owner in proportion to the individual's ownership interest. A claimant may

not file a claim for the credit until the project is complete, which is evidenced by the claimant providing information to the Department of Revenue demonstrating that all permits required by the state or local governments have been issued and all building inspections related to the project have been completed and approved by a state or local building inspector. In addition, the bill requires that the basis of the eligible housing be reduced by the amount of the credit received, and a claimant may not claim qualified rehabilitation expenditures under this credit if the claimant used those same expenditures to claim the supplement to the federal historic rehabilitation credit or the state historic rehabilitation credit. Because the credit is refundable, if the amount of the credit for which the individual is eligible exceeds his or her tax liability, the difference will be refunded to the claimant.

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

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

1           **SECTION 1.** 20.835 (2) (cb) of the statutes is created to read:

2           20.835 (2) (cb) *Older housing rehabilitation credit.* A sum sufficient to pay the  
3 claims approved under s. 71.07 (8m).

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

5           71.07 (8m) **OLDER HOUSING REHABILITATION CREDIT.** (a) *Definitions.* In this  
6 subsection:

7           1. "Claimant" means an individual who files a claim under this subsection.

8           2. "Eligible housing" means a single-family residence that is the primary  
9 residence of a claimant and which meets the conditions specified in par. (c) 5. and 6.

10          3. "Fair market value" means the estimated fair market value of a  
11 single-family residence as shown on the property tax bill prepared for the prior year  
12 under s. 74.09.

13          4. "Municipality" means a city, village, or town.

14          5. "Project" means a construction or reconstruction project on eligible housing.

1           6. “Qualified rehabilitation expenditure” means costs and expenses incurred  
2 by a claimant to complete a project.

3           (b) *Filing claims.* Subject to the limitations and conditions provided in this  
4 subsection, a claimant may claim as a credit against the tax imposed under s. 71.02  
5 an amount equal to 10 percent of the amount the claimant spent on qualified  
6 rehabilitation expenditures on a single residence. If the allowable amount of the  
7 claim exceeds the income taxes otherwise due on the claimant’s income, the amount  
8 of the claim not used as an offset against those taxes shall be certified by the  
9 department of revenue to the department of administration for payment to the  
10 claimant by check, share draft, or other draft drawn from the appropriation account  
11 under s. 20.835 (2) (cb).

12           (c) *Limitations and conditions.* 1. Except as provided in subd. 8., the maximum  
13 credit amount that a claimant may claim under this subsection is \$15,000.

14           2. No credit may be claimed under this subsection by a part-year resident or  
15 a nonresident of this state.

16           3. No credit may be allowed under this subsection unless it is claimed within  
17 the period specified in s. 71.75 (2).

18           4. No credit may be allowed under this subsection for a taxable year covering  
19 a period of less than 12 months, except for a taxable year closed by reason of the death  
20 of the claimant.

21           5. No credit may be claimed under this subsection unless the initial  
22 construction of the residence to which the claim relates was completed before 1980.

23           6. No credit may be claimed under this subsection unless the fair market value  
24 of the residence to which the claim relates is equal to or less than the median price  
25 of a single-family residence located in the same county, based on the most recent year

1 for which such data is available. For purposes of this subdivision, the median price  
2 of a single-family residence in the applicable county shall be determined by the  
3 county.

4 7. If a married couple files a joint return only one spouse may claim the credit  
5 under this subsection.

6 8. If a married couple files separate returns, the maximum amount that each  
7 spouse may claim under this subsection is \$7,500.

8 9. A claimant may not file a claim under this subsection until the project to  
9 which the claim relates is complete. For purposes of this subsection, a project is  
10 complete when all of the following conditions are satisfied, and proof of satisfaction  
11 is filed with the department, along with the claimant's income tax return, on a form  
12 prepared by the department:

13 a. All building and other permits required by the state and the municipality  
14 in which the eligible housing is located, which relate to the project, have been issued.

15 b. All building inspections related to the project have been completed and  
16 approved by the municipal or state building inspector.

17 10. The Wisconsin adjusted basis of the eligible housing shall be reduced by the  
18 amount of any credit received under this subsection.

19 11. No credit may be claimed under this subsection for any qualified  
20 rehabilitation expenditure that is also used as the basis to claim the credit under s.  
21 71.07 (9m) or (9r).

22 12. If the eligible housing is owned by 2 or more individuals who hold legal title  
23 or equitable title as a land contract vendee and are not joint tenants, tenants in  
24 common, or spouses owning marital property, the credit under this subsection may  
25 be claimed as follows:



1 a. For projects benefitting one owner, an individual may claim the credit based  
2 on qualified rehabilitation expenditures incurred individually.

3 b. For projects benefitting 2 or more owners, an individual may claim the credit  
4 based on qualified rehabilitation expenditures incurred by the benefitting owners in  
5 proportion to the individual's ownership interest.

6 (d) *Administration.* Subsection (9e) (d), to the extent that it applies to the credit  
7 under that subsection, applies to the credit under this subsection.

8 **SECTION 3.** 71.10 (4) (i) of the statutes, as affected by 2019 Wisconsin Act 54,  
9 is amended to read:

10 71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland  
11 preservation credit under ss. 71.57 to 71.61, farmland preservation credit, 2010 and  
12 beyond under s. 71.613, homestead credit under subch. VIII, farmland tax relief  
13 credit under s. 71.07 (3m), dairy manufacturing facility investment credit under s.  
14 71.07 (3p), jobs tax credit under s. 71.07 (3q), meat processing facility investment  
15 credit under s. 71.07 (3r), woody biomass harvesting and processing credit under s.  
16 71.07 (3rm), food processing plant and food warehouse investment credit under s.  
17 71.07 (3rn), business development credit under s. 71.07 (3y), research credit under  
18 s. 71.07 (4k) (e) 2. a., film production services credit under s. 71.07 (5f), film  
19 production company investment credit under s. 71.07 (5h), veterans and surviving  
20 spouses property tax credit under s. 71.07 (6e), older housing rehabilitation credit  
21 under s. 71.07 (8m), enterprise zone jobs credit under s. 71.07 (3w), electronics and  
22 information technology manufacturing zone credit under s. 71.07 (3wm), beginning  
23 farmer and farm asset owner tax credit under s. 71.07 (8r), earned income tax credit  
24 under s. 71.07 (9e), estimated tax payments under s. 71.09, and taxes withheld under  
25 subch. X.



## Shovers, Marc

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**From:** Schoone, Matalin  
**Sent:** Tuesday, January 14, 2020 5:20 PM  
**To:** Shovers, Marc; Lunder, Erika  
**Cc:** Duerkop, Nathan; Schultz, Jeff  
**Subject:** RE: Housing Bills Re-draft Request  
**Attachments:** 19-5353\_P1.pdf; 19-5348\_P1.pdf; 19-5351\_P1.pdf

**Importance:** High

Hi Erika & Marc,

Thank you both for getting those /P1s to us! I have a couple more requests to make though...

- 1.) Could we have Senate companions drafted for LRB 5353/1 and LRB 5348/1 and sent to Sen. Bernier?
  - a. Her Chief of Staff, Nathan, is CC'd on this email.
- 2.) Could we have all LRBs (5353/1, 5348/1, 5351/1) and their Senate companions jacketed for introduction in the Assembly and Senate?
  - a. Jeff, Sen. Testin's staff, is also CC'd on this email.

Thanks,  
Matalin

*Matalin Schoone*  
Research Assistant  
State Representative Rob Summerfield  
67<sup>th</sup> Assembly District  
608-266-1194

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Senior Legislative Attorney  
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**Cc:** Schultz, Jeff <[Jeff.Schultz@legis.wisconsin.gov](mailto:Jeff.Schultz@legis.wisconsin.gov)>  
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Research Assistant  
State Representative Rob Summerfield  
67<sup>th</sup> Assembly District  
608-266-1194





State of Wisconsin  
2019 - 2020 LEGISLATURE

①

LRB-5351/P1  
MES:cdc

No  
change

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**Barman, Mike**

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**From:** LRB.Legal  
**To:** Rep.Summerfield@legis.wisconsin.gov  
**Subject:** Draft review: LRB -5351/1  
**Attachments:** 19-5351/1

**State of Wisconsin - Legislative Reference Bureau**  
**One East Main Street - Suite 200 - Madison**

**The attached draft was prepared at your request. Please review it carefully to ensure that it satisfies your intent.** If you have any questions concerning the draft or would like to have it redrafted, please contact Marc E. Shovers, Senior Legislative Attorney, at (608) 504-5876, at [marc.shovers@legis.wisconsin.gov](mailto:marc.shovers@legis.wisconsin.gov), or at One East Main Street, Suite 200.

**We will jacket this draft for introduction in the Assembly.**

If the last paragraph of the analysis states that a fiscal estimate will be prepared, the LRB will submit a request to DOA when the draft is introduced. You may obtain a fiscal estimate on the draft prior to introduction by contacting our program assistants at [LRB.Legal@legis.wisconsin.gov](mailto:LRB.Legal@legis.wisconsin.gov) or at (608) 266-3561. If you requested a fiscal estimate on an earlier version of this draft and would like to obtain a fiscal estimate on the current version before it is introduced, you will need to request a revised fiscal estimate from our program assistants.

**Please call our program assistants at (608) 266-3561 if you have any questions regarding this email.**