

**2019 DRAFTING REQUEST****Bill**

For: **Administration-Budget** Drafter: **elunder**  
 By: **Quinn** Secondary Drafters:  
 Date: **1/2/2019** May Contact:

Same as LRB:

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

**Pre Topic:**

DOA:.....Quinn, BB0170 -

**Topic:**

Requiring low-income housing credit as addition to income

**Instructions:**

See attached

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	elunder 1/4/2019	anienaja 1/9/2019			
/P1	jkreye 2/19/2019	ccarmich 2/19/2019	mbarman 1/9/2019		
/P2			lparisi 2/19/2019		

FE Sent For:

<END>

**Lunder, Erika**

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**From:** Cathlene Hanaman <cathleneh@gmail.com>  
**Sent:** Saturday, December 29, 2018 4:09 PM  
**To:** Lunder, Erika; Kreye, Joseph  
**Subject:** Fwd: Statutory Language Drafting Request - 2019-21

Sent from my iPhone

Begin forwarded message:

**From:** "brian.quinn@wisconsin.gov" <brian.quinn@wisconsin.gov>  
**Date:** December 29, 2018 at 1:14:50 PM MST  
**To:** <Cathlene.Hanaman@legis.wisconsin.gov>  
**Cc:** <Paul2.Ziegler@wisconsin.gov>, <Brian.Quinn@wisconsin.gov>  
**Subject:** Statutory Language Drafting Request - 2019-21  
**Reply-To:** <brian.quinn@wisconsin.gov>

Biennial Budget: 2019-21

Topic: Require Low-Income Housing Credit as Addition to Income

Tracking Code: BB0170

SBO Team: TLGED

SBO Analyst: Quinn, Brian D - DOA  
Phone: (608) 266-1923  
E-mail: [brian.quinn@wisconsin.gov](mailto:brian.quinn@wisconsin.gov)

Agency Acronym: 566

Agency Number: 566

Priority: Medium

Intent:

Add the low-income housing credit created under 2017 Wisconsin Act 176 to the list of business tax credits that are added to a business' net income for Wisconsin tax purposes under ss. 71.05(6)(a)15, 71.21(4)(a), 71.26(2)(a)4, 71.34(1k)(g) and 71.45(2)(a)10.

Attachments: False

Please send completed drafts to [SBOSatlanguage@spsmail.enterprise.wisstate.us](mailto:SBOSatlanguage@spsmail.enterprise.wisstate.us)



State of Wisconsin  
2019 - 2020 LEGISLATURE

LRB-1195

EKL... GMM

DOA:.....Quinn, BB0170 - Requiring low-income housing credit as addition to income

**FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION**

IN: 1/4  
DVE: 1/9

SA-  
RWf-

No Gen.

1 AN ACT ...; relating to: the budget.

*Analysis by the Legislative Reference Bureau*

**TAXATION**

**INCOME TAXATION**

Under this bill, a business that claims the low-income housing credit must include the amount of the credit in income when computing its income or franchise tax liability.

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

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

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),

1 (5rm), (6n), (8b), (8r), and (10) and not passed through by a partnership, limited  
 2 liability company, or tax-option corporation that has added that amount to the  
 3 partnership's, company's, or tax-option corporation's income under s. 71.21 (4) or  
 4 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, 58, 59, 197, 231, 368.

5 **SECTION 2.** 71.21 (4) (a) of the statutes is amended to read:

6 ~~71.21 (4)~~ (a) The amount of the credits computed by a partnership under s.  
 7 71.07 (2dm), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s), (3t), (3w),  
 8 (3wm), (3y), (4k), (4n), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), (8b), (8r),  
 9 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.

10 **SECTION 3.** 71.26 (2) (a) 4. of the statutes is amended to read:

11 ~~71.26 (2)~~ (a) 4. Plus the amount of the credit computed under s. 71.28 (1dm),  
 12 (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3t), (3w), (3wm), (3y), (5e),  
 13 (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), (8b), (8r), (9s), and (10) and not passed  
 14 through by a partnership, limited liability company, or tax-option corporation that  
 15 has added that amount to the partnership's, limited liability company's, or  
 16 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.

17 **SECTION 4.** 71.34 (1k) (g) of the statutes is amended to read:

18 71.34 (1k) (g) An addition shall be made for credits computed by a tax-option  
 19 corporation under s. 71.28 (1dm), (1dx), (1dy), (3), (3g), (3h), (3n), (3p), (3q), (3r),

1 (3rm), (3rn), (3t), (3w), (3wm), (3y), (4), (5), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r),  
2 (5rm), (6n), (8b), (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.

3 **SECTION 5.** 71.45 (2) (a) 10. of the statutes is amended to read:

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

11 **SECTION 9337. Initial applicability; Revenue.**

12 (1) INCLUSION OF LOW-INCOME HOUSING CREDIT IN INCOME. The treatment of ss.  
13 71.05 (6) (a) 15., 71.21 (4) (a), 71.26 (2) (a) 4., 71.34 (1k) (g), and 71.45 (2) (a) 10. first  
14 applies to taxable years beginning on January 1, 2020.

15 (END)



State of Wisconsin  
2019 - 2020 LEGISLATURE

LRB-1195/P1

EKL:amn *acdc*

DOA:.....Quinn, BB0170 - Requiring low-income housing credit as addition to income

**FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION**

1 **AN ACT** ...; relating to: the budget.

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*Analysis by the Legislative Reference Bureau*

**TAXATION**

**INCOME TAXATION**

Under this bill, a business that claims the low-income housing credit must include the amount of the credit in income when computing its income or franchise tax liability.

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

---

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

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),

1 (5rm), (6n), (8b), (8r), and (10) and not passed through by a partnership, limited  
2 liability company, or tax-option corporation that has added that amount to the  
3 partnership's, company's, or tax-option corporation's income under s. 71.21 (4) or  
4 71.34 (1k) (g).

5 **SECTION 2.** 71.21 (4) (a) of the statutes is amended to read:

6 71.21 (4) (a) The amount of the credits computed by a partnership under s.  
7 71.07 (2dm), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s), (3t), (3w),  
8 (3wm), (3y), (4k), (4n), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), (8b), (8r),  
9 and (10) and passed through to partners shall be added to the partnership's income.

10 **SECTION 3.** 71.26 (2) (a) 4. of the statutes is amended to read:

11 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dm),  
12 (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3t), (3w), (3wm), (3y), (5e),  
13 (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), (8b), (8r), (9s), and (10) and not passed  
14 through by a partnership, limited liability company, or tax-option corporation that  
15 has added that amount to the partnership's, limited liability company's, or  
16 tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g).

17 **SECTION 4.** 71.34 (1k) (g) of the statutes is amended to read:

18 71.34 (1k) (g) An addition shall be made for credits computed by a tax-option  
19 corporation under s. 71.28 (1dm), (1dx), (1dy), (3), (3g), (3h), (3n), (3p), (3q), (3r),  
20 (3rm), (3rn), (3t), (3w), (3wm), (3y), (4), (5), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r),  
21 (5rm), (6n), (8b), (8r), and (10) and passed through to shareholders.

22 **SECTION 5.** 71.45 (2) (a) 10. of the statutes is amended to read:

23 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit  
24 computed under s. 71.47 (1dm) to (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn),  
25 (3w), (3y), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), (8b), (8r), (9s), and (10)

1 and not passed through by a partnership, limited liability company, or tax-option  
2 corporation that has added that amount to the partnership's, limited liability  
3 company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g) and  
4 the amount of credit computed under s. 71.47 (1), (3), (3t), (4), (4m), and (5).

5 **SECTION 9337. Initial applicability; Revenue.**

6 (1) INCLUSION OF LOW-INCOME HOUSING CREDIT IN INCOME. The treatment of ss.  
7 71.05 (6) (a) 15., 71.21 (4) (a), 71.26 (2) (a) 4., 71.34 (1k) (g), and 71.45 (2) (a) 10. first  
8 applies to taxable years beginning on January 1, 2020.

9 (END)







State of Wisconsin  
2019 - 2020 LEGISLATURE

LRB-1195/P2  
EKL:amn&cdc

DOA:.....Quinn, BB0170 - Requiring low-income housing credit as addition to income

**FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION**

1 **AN ACT ...; relating to:** the budget.

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*Analysis by the Legislative Reference Bureau*

**TAXATION**

**INCOME TAXATION**

***1. Addition of low-income housing tax credit to income***

Under this bill, a business that claims the low-income housing credit must include the amount of the credit in income when computing its income or franchise tax liability.

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

---

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

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),

**SECTION 1**

1 (3rm), (3rn), (3s), (3t), (3w), (3wm), (3y), (4k), (4n), (5e), (5f), (5h), (5i), (5j), (5k), (5r),  
2 (5rm), (6n), (8b), (8r), and (10) and not passed through by a partnership, limited  
3 liability company, or tax-option corporation that has added that amount to the  
4 partnership's, company's, or tax-option corporation's income under s. 71.21 (4) or  
5 71.34 (1k) (g).

6 **SECTION 2.** 71.21 (4) (a) of the statutes is amended to read:

7 71.21 (4) (a) The amount of the credits computed by a partnership under s.  
8 71.07 (2dm), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s), (3t), (3w),  
9 (3wm), (3y), (4k), (4n), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), (8b), (8r),  
10 and (10) and passed through to partners shall be added to the partnership's income.

11 **SECTION 3.** 71.26 (2) (a) 4. of the statutes is amended to read:

12 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dm),  
13 (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3t), (3w), (3wm), (3y), (5e),  
14 (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), (8b), (8r), (9s), and (10) and not passed  
15 through by a partnership, limited liability company, or tax-option corporation that  
16 has added that amount to the partnership's, limited liability company's, or  
17 tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g).

18 **SECTION 4.** 71.34 (1k) (g) of the statutes is amended to read:

19 71.34 (1k) (g) An addition shall be made for credits computed by a tax-option  
20 corporation under s. 71.28 (1dm), (1dx), (1dy), (3), (3g), (3h), (3n), (3p), (3q), (3r),  
21 (3rm), (3rn), (3t), (3w), (3wm), (3y), (4), (5), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r),  
22 (5rm), (6n), (8b), (8r), and (10) and passed through to shareholders.

23 **SECTION 5.** 71.45 (2) (a) 10. of the statutes is amended to read:

24 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit  
25 computed under s. 71.47 (1dm) to (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn),

1 (3w), (3y), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), (8b), (8r), (9s), and (10)  
2 and not passed through by a partnership, limited liability company, or tax-option  
3 corporation that has added that amount to the partnership's, limited liability  
4 company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g) and  
5 the amount of credit computed under s. 71.47 (1), (3), (3t), (4), (4m), and (5).

6 **SECTION 9337. Initial applicability; Revenue.**

7 (1) INCLUSION OF LOW-INCOME HOUSING CREDIT IN INCOME. The treatment of ss.  
8 71.05 (6) (a) 15., 71.21 (4) (a), 71.26 (2) (a) 4., 71.34 (1k) (g), and 71.45 (2) (a) 10. first  
9 applies to taxable years beginning on January 1, 2019.

10

(END)