

2019 DRAFTING REQUEST

Bill

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

Same as LRB:

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

Pre Topic:

DOA:.....Quinn, BB0257 -

Topic:

Historic rehabilitation credit modifications

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P1	jkreye 2/22/2019	anienaja 2/22/2019	lparisi 2/4/2019		State
/P2			mbarman 2/22/2019		State

FE Sent For: **<END>**

Kreye, Joseph

From: Cathlene Hanaman <cathleneh@gmail.com>
Sent: Thursday, January 31, 2019 7:34 PM
To: Lunder, Erika; Shovers, Marc; Kreye, Joseph
Subject: Fwd: Statutory Language Drafting Request - 2019-21

Sent from my iPhone

Begin forwarded message:

Biennial Budget: 2019-21

Topic: Historic Rehabilitation Credit Modifications

Tracking Code: BB0257

SBO Team: TLGED

SBO Analyst: Quinn, Brian D - DOA

Phone: (608) 266-1923

E-mail: brian.quinn@wisconsin.gov

Agency Acronym: 566

Agency Number: 566

Priority: Medium

Intent:

Specify that the current \$3.5 million per parcel cap is instead a \$3.5 million per project cap. The purpose of that change is to ensure that projects that span multiple parcels do not qualify for more than \$3.5 million in credits.

Additionally, repeal the separate provision that provided a 20 percent credit for qualified rehabilitated buildings that are not certified historic structures as that credit was eliminated under the Tax Cuts and Jobs Act.

Attachments: False

Please send completed drafts to SBOSatlanguage@spsmail.enterprise.wistate.us



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-1724/P1

JK: *gf*

DOA:.....Quinn, BB0257 - Historic rehabilitation credit modifications

FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION

*in Friday
2-10*

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

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

Current law authorizes WEDC to certify a person to receive a tax credit equal to 20 percent of the qualified rehabilitation expenses, as defined under the federal Internal Revenue Code, for certified historic structures on property located in this state. WEDC may also certify a person to receive a similar credit for the rehabilitation expenses for qualified rehabilitated buildings, as defined under the federal Internal Revenue Code, that are not certified historic structures. Finally, current law prohibits WEDC from certifying persons to claim more than \$35,000,000 in all such credits for all projects undertaken on the same parcel.

This bill eliminates the credit for qualified rehabilitated buildings and prohibits WEDC from certifying persons to claim more than \$35,000,000 in tax credits for any project involving the rehabilitation of certified historic structures, regardless of the number of parcels on which the project is undertaken.

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

\$3,500,000 (2x)

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

SECTION 1

1 **SECTION 1.** 71.07 (9m) (a) 3. of the statutes is amended to read:

2 71.07 (9m) (a) 3. For taxable years beginning after December 31, 2013, and
3 before January 1, 2019, any person may claim as a credit against taxes otherwise due
4 under s. 71.02, up to the amount of those taxes, an amount equal to 20 percent of the
5 costs of qualified rehabilitation expenditures, as defined in section 47 (c) (2) of the
6 Internal Revenue Code, for qualified rehabilitated buildings, as defined in section 47
7 (c) (1) of the Internal Revenue Code, on property located in this state, if the cost of
8 the person's qualified rehabilitation expenditures is at least \$50,000 and the
9 rehabilitated property is placed in service after December 31, 2013, and regardless
10 of whether the rehabilitated property is used for multiple or revenue-producing
11 purposes. No credit may be claimed under this subdivision for property listed as a
12 contributing building in the state register of historic places or in the national register
13 of historic places and no credit may be claimed under this subdivision for nonhistoric,
14 nonresidential property converted into housing if the property has been previously
15 used for housing.

Cross-reference: See also ch. HS 3, Wis. adm. code.

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27
ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135,
183, 255, 267, 326; 2005 a. 25, 49, 72, 74, 97, 177, 254, 361, 387, 479, 483, 487; 2007 a. 11, 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401;
2011 a. 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 s. 80; 2013 a. 20, 54, 62, 116, 145; 2013 a. 166 s. 77; 2015 a. 55, 186; 2015 a. 197 s. 51; 2015 a. 237, 312; 2017 a. 58, 59,
176, 197; 2017 a. 364 ss. 11 to 13, 48; 2017 a. 365 s. 111; 2017 a. 366, 368; s. 13.92 (1) (bm) 2.; s. 35.17 correction in (9r) (j).

16 **SECTION 2.** 71.07 (9m) (cn) (intro.) of the statutes is amended to read:

17 71.07 (9m) (cn) (intro.) For taxable years beginning after December 31, 2014,
18 and before January 1, 2019, the Wisconsin Economic Development Corporation shall
19 certify a person to claim a credit under par. (a) 3. if all of the following apply:

Cross-reference: See also ch. HS 3, Wis. adm. code.

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27
ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135,
183, 255, 267, 326; 2005 a. 25, 49, 72, 74, 97, 177, 254, 361, 387, 479, 483, 487; 2007 a. 11, 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401;
2011 a. 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 s. 80; 2013 a. 20, 54, 62, 116, 145; 2013 a. 166 s. 77; 2015 a. 55, 186; 2015 a. 197 s. 51; 2015 a. 237, 312; 2017 a. 58, 59,
176, 197; 2017 a. 364 ss. 11 to 13, 48; 2017 a. 365 s. 111; 2017 a. 366, 368; s. 13.92 (1) (bm) 2.; s. 35.17 correction in (9r) (j).

20 **SECTION 3.** 71.07 (9m) (cn) 2. of the statutes is amended to read:

1 71.07 (9m) (cn) 2. The proposed project for which the person wishes to claim
2 a credit under this paragraph for any taxable year beginning after December 31,
3 2014, and before January 1, 2019, is located in the city of Green Bay.

Cross-reference: See also ch. HS 3, Wis. adm. code.

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135, 183, 255, 267, 326; 2005 a. 25, 49, 72, 74, 97, 177, 254, 361, 387, 479, 483, 487; 2007 a. 11, 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 s. 80; 2013 a. 20, 54, 62, 116, 145; 2013 a. 166 s. 77; 2015 a. 55, 186; 2015 a. 197 s. 51; 2015 a. 237, 312; 2017 a. 58, 59, 176, 197; 2017 a. 364 ss. 11 to 13, 48; 2017 a. 365 s. 111; 2017 a. 366, 368; s. 13.92 (1) (bm) 2.; s. 35.17 correction in (9r) (j).

4 **SECTION 4.** 71.07 (9m) (e) of the statutes is renumbered 71.07 (9m) (e) 1.

5 **SECTION 5.** 71.07 (9m) (e) 2. of the statutes is created to read:

6 71.07 (9m) (e) 2. No credit may be claimed under par. (a) 3. for taxable years
7 beginning after December 31, 2018. Credits under ~~under~~ par. (a) 3. for taxable years
8 that begin before January 1, 2019, may be carried forward to taxable years that begin
9 after December 31, 2018.

10 **SECTION 6.** 71.28 (6) (a) 3. of the statutes is amended to read:

11 71.28 (6) (a) 3. For taxable years beginning after December 31, 2013, and before
12 January 1, 2019, any person may claim as a credit against taxes otherwise due under
13 s. 71.23, up to the amount of those taxes, an amount equal to 20 percent of the costs
14 of qualified rehabilitation expenditures, as defined in section 47 (c) (2) of the Internal
15 Revenue Code, for qualified rehabilitated buildings, as defined in section 47 (c) (1)
16 of the Internal Revenue Code, on property located in this state, if the cost of the
17 person's qualified rehabilitation expenditures is at least \$50,000 and the
18 rehabilitated property is placed in service after December 31, 2013, and regardless
19 of whether the rehabilitated property is used for multiple or revenue-producing
20 purposes. No credit may be claimed under this subdivision for property listed as a
21 contributing building in the state register of historic places or in the national register
22 of historic places and no credit may be claimed under this subdivision for nonhistoric,

1 nonresidential property converted into housing if the property has been previously
2 used for housing.

History: 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326; 2005 a. 25, 74, 97, 361, 387, 452, 479, 483, 487; 2007 a. 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 3, 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 s. 80; 2013 a. 20, 54, 62, 116, 145, 165; 2013 a. 166 ss. 26, 77; 2015 a. 55, 186, 237; 2017 a. 58, 59, 176, 197; 2017 a. 364 ss. 16 to 18, 48; 2017 a. 365 s. 111; 2017 a. 366; s. 13.92 (1) (bm) 2.

3 **SECTION 7.** 71.28 (6) (cn) (intro.) of the statutes is amended to read:

4 71.28 (6) (cn) (intro.) For taxable years beginning after December 31, 2014, and
5 before January 1, 2019, the Wisconsin Economic Development Corporation shall
6 certify a person to claim a credit under par. (a) 3. if all of the following apply:

History: 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326; 2005 a. 25, 74, 97, 361, 387, 452, 479, 483, 487; 2007 a. 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 3, 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 s. 80; 2013 a. 20, 54, 62, 116, 145, 165; 2013 a. 166 ss. 26, 77; 2015 a. 55, 186, 237; 2017 a. 58, 59, 176, 197; 2017 a. 364 ss. 16 to 18, 48; 2017 a. 365 s. 111; 2017 a. 366; s. 13.92 (1) (bm) 2.

7 **SECTION 8.** 71.28 (6) (cn) 2. of the statutes is amended to read:

8 71.28 (6) (cn) 2. The proposed project for which the person wishes to claim a
9 credit under this paragraph for any taxable year beginning after December 31, 2014,
10 and before January 1, 2019, is located in the city of Green Bay.

History: 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326; 2005 a. 25, 74, 97, 361, 387, 452, 479, 483, 487; 2007 a. 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 3, 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 s. 80; 2013 a. 20, 54, 62, 116, 145, 165; 2013 a. 166 ss. 26, 77; 2015 a. 55, 186, 237; 2017 a. 58, 59, 176, 197; 2017 a. 364 ss. 16 to 18, 48; 2017 a. 365 s. 111; 2017 a. 366; s. 13.92 (1) (bm) 2.

11 **SECTION 9.** 71.28 (6) (e) of the statutes is renumbered 71.28 (6) (e) 1.

12 **SECTION 10.** 71.28 (6) (e) 2. of the statutes is created to read:

13 71.28 (6) (e) 2. No credit may be claimed under par. (a) 3. for taxable years
14 beginning after December 31, 2018. Credits under under par. (a) 3. for taxable years
15 that begin before January 1, 2019, may be carried forward to taxable years that begin
16 after December 31, 2018.

17 **SECTION 11.** 71.47 (6) (a) 3. of the statutes is amended to read:

18 71.47 (6) (a) 3. For taxable years beginning after December 31, 2013, and before
19 January 1, 2019, any person may claim as a credit against taxes otherwise due under
20 s. 71.43, up to the amount of those taxes, an amount equal to 20 percent of the costs

1 of qualified rehabilitation expenditures, as defined in section 47 (c) (2) of the Internal
2 Revenue Code, for qualified rehabilitated buildings, as defined in section 47 (c) (1)
3 of the Internal Revenue Code, on property located in this state, if the cost of the
4 person's qualified rehabilitation expenditures is at least \$50,000 and the
5 rehabilitated property is placed in service after December 31, 2013, and regardless
6 of whether the rehabilitated property is used for multiple or revenue-providing
7 purposes. No credit may be claimed under this subdivision for property listed as a
8 contributing building in the state register of historic places or in the national register
9 of historic places and no credit may be claimed under this subdivision for nonhistoric,
10 nonresidential property converted into housing if the property has been previously
11 used for housing.

History: 1987 a. 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326; 2005 a. 25, 74, 97, 361, 387, 452, 479, 483, 487; 2007 a. 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 3, 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 ss. 80, 81; 2013 a. 20, 62, 116, 145; 2015 a. 55, 186, 237; 2017 a. 59, 176, 197; 2017 a. 365 s. 111; 2017 a. 366; s. 13.92 (1) (bm) 2.

12 **SECTION 12.** 71.47 (6) (cn) (intro.) of the statutes is amended to read:
13 71.47 (6) (cn) (intro.) For taxable years beginning after December 31, 2014, and
14 before January 1, 2019, the Wisconsin Economic Development Corporation shall
15 certify a person to claim a credit under par. (a) 3. if all of the following apply:

History: 1987 a. 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326; 2005 a. 25, 74, 97, 361, 387, 452, 479, 483, 487; 2007 a. 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 3, 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 ss. 80, 81; 2013 a. 20, 62, 116, 145; 2015 a. 55, 186, 237; 2017 a. 59, 176, 197; 2017 a. 365 s. 111; 2017 a. 366; s. 13.92 (1) (bm) 2.

16 **SECTION 13.** 71.47 (6) (cn) 2. of the statutes is amended to read:
17 71.47 (6) (cn) 2. The proposed project for which the person wishes to claim a
18 credit under this paragraph for any taxable year beginning after December 31, 2014,
19 and before January 1, 2019, is located in the city of Green Bay.

History: 1987 a. 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326; 2005 a. 25, 74, 97, 361, 387, 452, 479, 483, 487; 2007 a. 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 3, 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 ss. 80, 81; 2013 a. 20, 62, 116, 145; 2015 a. 55, 186, 237; 2017 a. 59, 176, 197; 2017 a. 365 s. 111; 2017 a. 366; s. 13.92 (1) (bm) 2.

20 **SECTION 14.** 71.47 (6) (e) of the statutes is renumbered 71.47 (6) (e) 1.

1 **SECTION 15.** 71.47 (6) (e) 2. of the statutes is created to read:

2 71.47 (6) (e) 2. No credit may be claimed under par. (a) 3. for taxable years
3 beginning after December 31, 2018. Credits under under par. (a) 3. for taxable years
4 that begin before January 1, 2019, may be carried forward to taxable years that begin
5 after December 31, 2018.

6 **SECTION 16.** 238.17 (1) of the statutes is renumbered 238.17 (1) (a) and
7 amended to read:

8 238.17 (1) (a) ~~For~~ Except as provided in par. (b), for taxable years beginning
9 after December 31, 2013, the corporation may certify a person to claim a tax credit
10 under s. 71.07 (9m), 71.28 (6), or 71.47 (6), if the corporation determines that the
11 person is conducting an eligible activity under s. 71.07 (9m), 71.28 (6), or 71.47 (6).
12 No person may claim a tax credit under s. 71.07 (9m), 71.28 (6), or 71.47 (6) without
13 first being certified under this subsection.

History: 2013 a. 62; 2015 a. 55; 2017 a. 59, 280.

14 **SECTION 17.** 238.17 (1) (b) of the statutes is created to read:

15 238.17 (1) (b) The corporation may not certify a person to claim a tax credit
16 under s. 71.07 (9m) (a) 3., 71.28 (6) (a) 3., or 71.47 (6) (a) 3. for taxable years beginning
17 after December 31, 2018.

18 **SECTION 18.** 238.17 (2) of the statutes is amended to read:

19 238.17 (2) Beginning July 1, 2018, and ending on June 30, 2019, the
20 corporation may not certify persons to claim more than a total of \$3,500,000 in tax
21 credits for all projects undertaken on the same parcel. Beginning July 1, 2019, the
22 corporation may not certify persons to claim more than a total of \$3,500,000 in tax

1 credits for any project, regardless of the number of parcels on which the project is
2 undertaken.

History: 2013 a. 62; 2015 a. 55; 2017 a. 59, 280.

3 (END)



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-1724/P1

JK:kjftam

DOA:.....Quinn, BB0257 - Historic rehabilitation credit modifications

FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION

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

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

Current law authorizes WEDC to certify a person to receive a tax credit equal to 20 percent of the qualified rehabilitation expenses, as defined under the federal Internal Revenue Code, for certified historic structures on property located in this state. WEDC may also certify a person to receive a similar credit for the rehabilitation expenses for qualified rehabilitated buildings, as defined under the federal Internal Revenue Code, that are not certified historic structures. Finally, current law prohibits WEDC from certifying persons to claim more than \$3,500,000 in all such credits for all projects undertaken on the same parcel.

This bill eliminates the credit for qualified rehabilitated buildings and prohibits WEDC from certifying persons to claim more than \$3,500,000 in tax credits for any project involving the rehabilitation of certified historic structures, regardless of the number of parcels on which the project is undertaken.

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:

1 **SECTION 1.** 71.07 (9m) (a) 3. of the statutes is amended to read:

2 71.07 **(9m)** (a) 3. For taxable years beginning after December 31, 2013, and
3 before January 1, 2019, any person may claim as a credit against taxes otherwise due
4 under s. 71.02, up to the amount of those taxes, an amount equal to 20 percent of the
5 costs of qualified rehabilitation expenditures, as defined in section 47 (c) (2) of the
6 Internal Revenue Code, for qualified rehabilitated buildings, as defined in section 47
7 (c) (1) of the Internal Revenue Code, on property located in this state, if the cost of
8 the person's qualified rehabilitation expenditures is at least \$50,000 and the
9 rehabilitated property is placed in service after December 31, 2013, and regardless
10 of whether the rehabilitated property is used for multiple or revenue-producing
11 purposes. No credit may be claimed under this subdivision for property listed as a
12 contributing building in the state register of historic places or in the national register
13 of historic places and no credit may be claimed under this subdivision for nonhistoric,
14 nonresidential property converted into housing if the property has been previously
15 used for housing.

16 **SECTION 2.** 71.07 (9m) (cn) (intro.) of the statutes is amended to read:

17 71.07 **(9m)** (cn) (intro.) For taxable years beginning after December 31, 2014,
18 and before January 1, 2019, the Wisconsin Economic Development Corporation shall
19 certify a person to claim a credit under par. (a) 3. if all of the following apply:

20 **SECTION 3.** 71.07 (9m) (cn) 2. of the statutes is amended to read:

21 71.07 **(9m)** (cn) 2. The proposed project for which the person wishes to claim
22 a credit under this paragraph for any taxable year beginning after December 31,
23 2014, and before January 1, 2019, is located in the city of Green Bay.

24 **SECTION 4.** 71.07 (9m) (e) of the statutes is renumbered 71.07 (9m) (e) 1.

25 **SECTION 5.** 71.07 (9m) (e) 2. of the statutes is created to read:

1 71.07 (9m) (e) 2. No credit may be claimed under par. (a) 3. for taxable years
2 beginning after December 31, 2018. Credits under par. (a) 3. for taxable years that
3 begin before January 1, 2019, may be carried forward to taxable years that begin
4 after December 31, 2018.

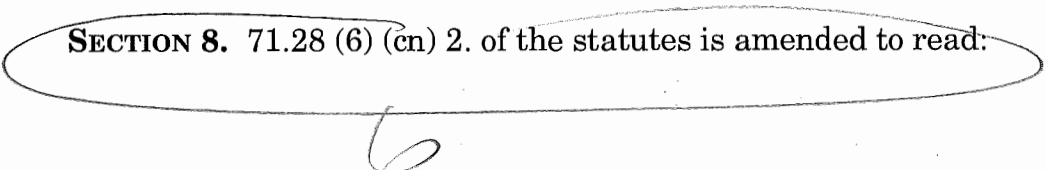
5 **SECTION 6.** 71.28 (6) (a) 3. of the statutes is amended to read:

6 71.28 (6) (a) 3. For taxable years beginning after December 31, 2013, and before
7 January 1, 2019, any person may claim as a credit against taxes otherwise due under
8 s. 71.23, up to the amount of those taxes, an amount equal to 20 percent of the costs
9 of qualified rehabilitation expenditures, as defined in section 47 (c) (2) of the Internal
10 Revenue Code, for qualified rehabilitated buildings, as defined in section 47 (c) (1)
11 of the Internal Revenue Code, on property located in this state, if the cost of the
12 person's qualified rehabilitation expenditures is at least \$50,000 and the
13 rehabilitated property is placed in service after December 31, 2013, and regardless
14 of whether the rehabilitated property is used for multiple or revenue-producing
15 purposes. No credit may be claimed under this subdivision for property listed as a
16 contributing building in the state register of historic places or in the national register
17 of historic places and no credit may be claimed under this subdivision for nonhistoric,
18 nonresidential property converted into housing if the property has been previously
19 used for housing.

20 **SECTION 7.** 71.28 (6) (cn) (intro.) of the statutes is amended to read:

21 71.28 (6) (cn) (intro.) For taxable years beginning after December 31, 2014, and
22 before January 1, 2019, the Wisconsin Economic Development Corporation shall
23 certify a person to claim a credit under par. (a) 3. if all of the following apply:

24 **SECTION 8.** 71.28 (6) (cn) 2. of the statutes is amended to read:



1 71.28 (6) (cn) 2. The proposed project for which the person wishes to claim a
2 credit under this paragraph for any taxable year beginning after December 31, 2014,
3 and before January 1, 2019, is located in the city of Green Bay.

4 SECTION 9. 71.28 (6) (e) of the statutes is renumbered 71.28 (6) (e) 1.

5 SECTION 10. 71.28 (6) (e) 2. of the statutes is created to read:

6 71.28 (6) (e) 2. No credit may be claimed under par. (a) 3. for taxable years
7 beginning after December 31, 2018. Credits under par. (a) 3. for taxable years that
8 begin before January 1, 2019, may be carried forward to taxable years that begin
9 after December 31, 2018.

10 SECTION 11. 71.47 (6) (a) 3. of the statutes is amended to read:

11 71.47 (6) (a) 3. For taxable years beginning after December 31, 2013, and before
12 January 1, 2019, any person may claim as a credit against taxes otherwise due under
13 s. 71.43, up to the amount of those taxes, an amount equal to 20 percent of the costs
14 of qualified rehabilitation expenditures, as defined in section 47 (c) (2) of the Internal
15 Revenue Code, for qualified rehabilitated buildings, as defined in section 47 (c) (1)
16 of the Internal Revenue Code, on property located in this state, if the cost of the
17 person's qualified rehabilitation expenditures is at least \$50,000 and the
18 rehabilitated property is placed in service after December 31, 2013, and regardless
19 of whether the rehabilitated property is used for multiple or revenue-providing
20 purposes. No credit may be claimed under this subdivision for property listed as a
21 contributing building in the state register of historic places or in the national register
22 of historic places and no credit may be claimed under this subdivision for nonhistoric,
23 nonresidential property converted into housing if the property has been previously
24 used for housing.

25 SECTION 12. 71.47 (6) (cn) (intro.) of the statutes is amended to read:

1 71.47 (6) (cn) (intro.) For taxable years beginning after December 31, 2014, and
2 before January 1, 2019, the Wisconsin Economic Development Corporation shall
3 certify a person to claim a credit under par. (a) 3. if all of the following apply:

4 **SECTION 13.** 71.47 (6) (cn) 2. of the statutes is amended to read:

5 71.47 (6) (cn) 2. The proposed project for which the person wishes to claim a
6 credit under this paragraph for any taxable year beginning after December 31, 2014,
7 and before January 1, 2019, is located in the city of Green Bay.

8 **SECTION 14.** 71.47 (6) (e) of the statutes is renumbered 71.47 (6) (e) 1.

9 **SECTION 15.** 71.47 (6) (e) 2. of the statutes is created to read:

10 71.47 (6) (e) 2. No credit may be claimed under par. (a) 3. for taxable years
11 beginning after December 31, 2018. Credits under par. (a) 3. for taxable years that
12 begin before January 1, 2019, may be carried forward to taxable years that begin
13 after December 31, 2018.

14 **SECTION 16.** 238.17 (1) of the statutes is renumbered 238.17 (1) (a) and
15 amended to read:

16 238.17 (1) (a) ~~For~~ Except as provided in par. (b), for taxable years beginning
17 after December 31, 2013, the corporation may certify a person to claim a tax credit
18 under s. 71.07 (9m), 71.28 (6), or 71.47 (6), if the corporation determines that the
19 person is conducting an eligible activity under s. 71.07 (9m), 71.28 (6), or 71.47 (6).
20 No person may claim a tax credit under s. 71.07 (9m), 71.28 (6), or 71.47 (6) without
21 first being certified under this subsection.

22 **SECTION 17.** 238.17 (1) (b) of the statutes is created to read:

23 238.17 (1) (b) The corporation may not certify a person to claim a tax credit
24 under s. 71.07 (9m) (a) 3., 71.28 (6) (a) 3., or 71.47 (6) (a) 3. for taxable years beginning
25 after December 31, 2018.



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-1724/P2
JK:kjf&amn

DOA:.....Quinn, BB0257 - Historic rehabilitation credit modifications

FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION

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

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

1. Historical rehabilitation credit

Current law authorizes WEDC to certify a person to receive a tax credit equal to 20 percent of the qualified rehabilitation expenses, as defined under the federal Internal Revenue Code, for certified historic structures on property located in this state. WEDC may also certify a person to receive a similar credit for the rehabilitation expenses for qualified rehabilitated buildings, as defined under the federal Internal Revenue Code, that are not certified historic structures. Finally, current law prohibits WEDC from certifying persons to claim more than \$3,500,000 in all such credits for all projects undertaken on the same parcel.

This bill eliminates the credit for qualified rehabilitated buildings and prohibits WEDC from certifying persons to claim more than \$3,500,000 in tax credits for any project involving the rehabilitation of certified historic structures, regardless of the number of parcels on which the project is undertaken.

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:

1 **SECTION 1.** 71.07 (9m) (a) 3. of the statutes is amended to read:

2 71.07 **(9m)** (a) 3. For taxable years beginning after December 31, 2013, and
3 before January 1, 2019, any person may claim as a credit against taxes otherwise due
4 under s. 71.02, up to the amount of those taxes, an amount equal to 20 percent of the
5 costs of qualified rehabilitation expenditures, as defined in section 47 (c) (2) of the
6 Internal Revenue Code, for qualified rehabilitated buildings, as defined in section 47
7 (c) (1) of the Internal Revenue Code, on property located in this state, if the cost of
8 the person's qualified rehabilitation expenditures is at least \$50,000 and the
9 rehabilitated property is placed in service after December 31, 2013, and regardless
10 of whether the rehabilitated property is used for multiple or revenue-producing
11 purposes. No credit may be claimed under this subdivision for property listed as a
12 contributing building in the state register of historic places or in the national register
13 of historic places and no credit may be claimed under this subdivision for nonhistoric,
14 nonresidential property converted into housing if the property has been previously
15 used for housing.

16 **SECTION 2.** 71.07 (9m) (cn) (intro.) of the statutes is amended to read:

17 71.07 **(9m)** (cn) (intro.) For taxable years beginning after December 31, 2014,
18 and before January 1, 2019, the Wisconsin Economic Development Corporation shall
19 certify a person to claim a credit under par. (a) 3. if all of the following apply:

20 **SECTION 3.** 71.07 (9m) (e) of the statutes is renumbered 71.07 (9m) (e) 1.

21 **SECTION 4.** 71.07 (9m) (e) 2. of the statutes is created to read:

22 71.07 **(9m)** (e) 2. No credit may be claimed under par. (a) 3. for taxable years
23 beginning after December 31, 2018. Credits under par. (a) 3. for taxable years that
24 begin before January 1, 2019, may be carried forward to taxable years that begin
25 after December 31, 2018.

1 **SECTION 5.** 71.28 (6) (a) 3. of the statutes is amended to read:

2 71.28 (6) (a) 3. For taxable years beginning after December 31, 2013, and before
3 January 1, 2019, any person may claim as a credit against taxes otherwise due under
4 s. 71.23, up to the amount of those taxes, an amount equal to 20 percent of the costs
5 of qualified rehabilitation expenditures, as defined in section 47 (c) (2) of the Internal
6 Revenue Code, for qualified rehabilitated buildings, as defined in section 47 (c) (1)
7 of the Internal Revenue Code, on property located in this state, if the cost of the
8 person's qualified rehabilitation expenditures is at least \$50,000 and the
9 rehabilitated property is placed in service after December 31, 2013, and regardless
10 of whether the rehabilitated property is used for multiple or revenue-producing
11 purposes. No credit may be claimed under this subdivision for property listed as a
12 contributing building in the state register of historic places or in the national register
13 of historic places and no credit may be claimed under this subdivision for nonhistoric,
14 nonresidential property converted into housing if the property has been previously
15 used for housing.

16 **SECTION 6.** 71.28 (6) (cn) (intro.) of the statutes is amended to read:

17 71.28 (6) (cn) (intro.) For taxable years beginning after December 31, 2014, and
18 before January 1, 2019, the Wisconsin Economic Development Corporation shall
19 certify a person to claim a credit under par. (a) 3. if all of the following apply:

20 **SECTION 7.** 71.28 (6) (e) of the statutes is renumbered 71.28 (6) (e) 1.

21 **SECTION 8.** 71.28 (6) (e) 2. of the statutes is created to read:

22 71.28 (6) (e) 2. No credit may be claimed under par. (a) 3. for taxable years
23 beginning after December 31, 2018. Credits under par. (a) 3. for taxable years that
24 begin before January 1, 2019, may be carried forward to taxable years that begin
25 after December 31, 2018.

1 **SECTION 9.** 71.47 (6) (a) 3. of the statutes is amended to read:

2 71.47 (6) (a) 3. For taxable years beginning after December 31, 2013, and before
3 January 1, 2019, any person may claim as a credit against taxes otherwise due under
4 s. 71.43, up to the amount of those taxes, an amount equal to 20 percent of the costs
5 of qualified rehabilitation expenditures, as defined in section 47 (c) (2) of the Internal
6 Revenue Code, for qualified rehabilitated buildings, as defined in section 47 (c) (1)
7 of the Internal Revenue Code, on property located in this state, if the cost of the
8 person's qualified rehabilitation expenditures is at least \$50,000 and the
9 rehabilitated property is placed in service after December 31, 2013, and regardless
10 of whether the rehabilitated property is used for multiple or revenue-providing
11 purposes. No credit may be claimed under this subdivision for property listed as a
12 contributing building in the state register of historic places or in the national register
13 of historic places and no credit may be claimed under this subdivision for nonhistoric,
14 nonresidential property converted into housing if the property has been previously
15 used for housing.

16 **SECTION 10.** 71.47 (6) (cn) (intro.) of the statutes is amended to read:

17 71.47 (6) (cn) (intro.) For taxable years beginning after December 31, 2014, and
18 before January 1, 2019, the Wisconsin Economic Development Corporation shall
19 certify a person to claim a credit under par. (a) 3. if all of the following apply:

20 **SECTION 11.** 71.47 (6) (e) of the statutes is renumbered 71.47 (6) (e) 1.

21 **SECTION 12.** 71.47 (6) (e) 2. of the statutes is created to read:

22 71.47 (6) (e) 2. No credit may be claimed under par. (a) 3. for taxable years
23 beginning after December 31, 2018. Credits under par. (a) 3. for taxable years that
24 begin before January 1, 2019, may be carried forward to taxable years that begin
25 after December 31, 2018.

1 **SECTION 13.** 238.17 (1) of the statutes is renumbered 238.17 (1) (a) and
2 amended to read:

3 238.17 (1) (a) For Except as provided in par. (b), for taxable years beginning
4 after December 31, 2013, the corporation may certify a person to claim a tax credit
5 under s. 71.07 (9m), 71.28 (6), or 71.47 (6), if the corporation determines that the
6 person is conducting an eligible activity under s. 71.07 (9m), 71.28 (6), or 71.47 (6).
7 No person may claim a tax credit under s. 71.07 (9m), 71.28 (6), or 71.47 (6) without
8 first being certified under this subsection.

9 **SECTION 14.** 238.17 (1) (b) of the statutes is created to read:

10 238.17 (1) (b) The corporation may not certify a person to claim a tax credit
11 under s. 71.07 (9m) (a) 3., 71.28 (6) (a) 3., or 71.47 (6) (a) 3. for taxable years beginning
12 after December 31, 2018.

13 **SECTION 15.** 238.17 (2) of the statutes is amended to read:

14 238.17 (2) Beginning July 1, 2018, and ending on June 30, 2019, the
15 corporation may not certify persons to claim more than a total of \$3,500,000 in tax
16 credits for all projects undertaken on the same parcel. Beginning July 1, 2019, the
17 corporation may not certify persons to claim more than a total of \$3,500,000 in tax
18 credits for any project, regardless of the number of parcels on which the project is
19 undertaken.

20

(END)