

2019 DRAFTING REQUEST

Bill

For: **Administration-Budget** Drafter: **jkreye**
 By: **Quinn** Secondary Drafters:
 Date: **2/11/2019** May Contact:

Same as LRB:

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

Pre Topic:

DOA:.....Quinn, BB0322 -

Topic:

Deduction for expenses for moving out-of-state or out of the U.S.

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 2/11/2019	anienaja 2/11/2019			
/P1	jkreye 2/21/2019		lparisi 2/11/2019		State
/P2	jkreye 2/22/2019	csicilia 2/22/2019	mbarman 2/21/2019		State
/P3			lparisi 2/22/2019		State

FE Sent For:

<END>

Kreye, Joseph

From: Hanaman, Cathlene
Sent: Monday, February 11, 2019 10:59 AM
To: Kreye, Joseph; Shovers, Marc; Lunder, Erika
Subject: FW: Statutory Language Drafting Request - 2019-21

From: Quinn, Brian D - DOA <Brian.Quinn@wisconsin.gov>
Sent: Monday, February 11, 2019 10:43 AM
To: Hanaman, Cathlene <Cathlene.Hanaman@legis.wisconsin.gov>
Cc: Ziegler, Paul - DOA <Paul2.Ziegler@wisconsin.gov>; Quinn, Brian D - DOA <Brian.Quinn@wisconsin.gov>
Subject: Statutory Language Drafting Request - 2019-21

Biennial Budget: 2019-21

Topic: Deduction for Moving Expenses Out-of-State or Out-of-Country

Tracking Code: BB0322

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:

Draft the entirety of 2019 AB 10 for inclusion in the budget.

Attachments: False

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



1929/P1

LRB-1357/1
JK:amn&wlj

in
2-11

2019 ASSEMBLY BILL 10

BB0322 - Quinn

Quinn

February 8, 2019 - Introduced by Representatives NEYLON, C. TAYLOR, STEFFEN, ZAMARRIPA, ANDERSON, BROOKS, DOYLE, FIELDS, GUNDRUM, HEBL, HORLACHER, KOLSTE, KUGLITSCH, OHNSTAD, QUINN, RIEMER, SARGENT, SHANKLAND, SINICKI, SKOWRONSKI, SPREITZER, TAUCHEN, THIESFELDT, TITTL, VRUWINK, ZIMMERMAN, SUBECK and NEUBAUER, cosponsored by Senators FEYEN, BEWLEY, CARPENTER, COWLES, DARLING, ERPENBACH, JACQUE, JOHNSON, LARSON, MARKLEIN, OLSEN, RINGHAND, RISSER, SCHACHTNER, SMITH, WANGGAARD and WIRCH. Referred to Committee on Federalism and Interstate Relations.

1 **AN ACT to create** 71.01 (8j), 71.05 (6) (a) 29., 71.21 (7), 71.26 (3) (e) 4., 71.34 (1k)
2 (o) and 71.45 (2) (a) 20. of the statutes; **relating to:** eliminating deductions for
3 moving expenses for businesses that move out of the state or out of the United
4 States

eliminating deductions for moving expenses for businesses that move out of the state or out of the United States

the budget

TAXATION
INCOME TAXATION

Analysis by the Legislative Reference Bureau

Under current law, a business may deduct from its income or franchise tax liability all expenses that the business paid to move its operations from one location to another, including expenses paid to relocate outside the state. Under this bill, a business may not deduct expenses paid to move outside the state or outside the United States.

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:

5 **SECTION 1.** 71.01 (8j) of the statutes is created to read:
6 71.01 (8j) For purposes of ss. 71.05 (6) (a) 29., 71.21 (7), 71.26 (3) (e) 4., 71.34
7 (1k) (o), and 71.45 (2) (a) 20., "moving expenses" means all of the following:

ASSEMBLY BILL 10

- 1 (a) Vehicle rentals.
- 2 (b) Storage rentals.
- 3 (c) Moving company expenses for packing, unpacking, and transportation.
- 4 (d) Consulting fees and surveys.
- 5 (e) Brokerage commissions or fees.
- 6 (f) Architecture, design, and remodeling expenses.
- 7 (g) Expenses paid or incurred to sell property in this state.
- 8 (h) Loss on the sale of property in this state.
- 9 (i) Lease cancellation fees.
- 10 (j) Expenses paid or incurred for professional services, including legal services.
- 11 (k) Utility fees.
- 12 (L) Employee wages.
- 13 (m) Reimbursement of an employee's expenses.
- 14 (n) The cost of meals, lodging, and fuel.
- 15 (o) Mileage deductions for vehicle use.

16 **SECTION 2.** 71.05 (6) (a) 29. of the statutes is created to read:

17 71.05 (6) (a) 29. The amount deducted under the Internal Revenue Code as
18 moving expenses, as defined in s. 71.01 (8j), paid or incurred during the taxable year
19 to move the taxpayer's business operation, in whole or in part, to a location outside
20 the state or outside the United States.

21 **SECTION 3.** 71.21 (7) of the statutes is created to read:

22 71.21 (7) A deduction under the Internal Revenue Code for moving expenses,
23 as defined in s. 71.01 (8j), paid or incurred during the taxable year to move the
24 taxpayer's business operation, in whole or in part, to a location outside the state or
25 outside the United States is not allowed.

Insert 3 - 17

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

2 (1) MOVING EXPENSES DEDUCTION. The treatment of ss. 71.01 (8j), 71.05 (6) (a)
3 29., 71.21 (7), 71.26 (3) (e) 4., 71.34 (1k) (o), and 71.45 (2) (a) 20. first applies to taxable
4 years beginning on January 1, 2019.



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-1929/P1
JK:amn&wlj

12

DOA:.....Quinn, BB0322 - Deduction for expenses for moving out-of-state or out of the U.S.

FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION

D-N

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

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

Deduction for
STEP
A2

Moving expenses deduction

Under current law, a business may deduct from its income or franchise tax liability all expenses that the business paid to move its operations from one location to another, including expenses paid to relocate outside the state. Under this bill, a business may not deduct expenses paid to move outside the state or outside the United States.

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. 71.01 (8j) of the statutes is created to read:

3 71.01 (8j) For purposes of ss. 71.05 (6) (a) 29, 71.21 (7), 71.26 (3) (e) 4., 71.34

4 (1k) (o), and 71.45 (2) (a) 20., "moving expenses" means all of the following:

30.

- 1 (a) Vehicle rentals.
- 2 (b) Storage rentals.
- 3 (c) Moving company expenses for packing, unpacking, and transportation.
- 4 (d) Consulting fees and surveys.
- 5 (e) Brokerage commissions or fees.
- 6 (f) Architecture, design, and remodeling expenses.
- 7 (g) Expenses paid or incurred to sell property in this state.
- 8 (h) Loss on the sale of property in this state.
- 9 (i) Lease cancellation fees.
- 10 (j) Expenses paid or incurred for professional services, including legal services.
- 11 (k) Utility fees.
- 12 (L) Employee wages.
- 13 (m) Reimbursement of an employee's expenses.
- 14 (n) The cost of meals, lodging, and fuel.
- 15 (o) Mileage deductions for vehicle use.

30

16 **SECTION 2.** 71.05 (6) (a) ~~29~~ of the statutes is created to read:

17 71.05 (6) (a) ~~29~~ The amount deducted under the Internal Revenue Code as
18 moving expenses, as defined in s. 71.01 (8j), paid or incurred during the taxable year
19 to move the taxpayer's business operation, in whole or in part, to a location outside
20 the state or outside the United States.

30

21 **SECTION 3.** 71.21 (7) of the statutes is created to read:

22 71.21 (7) A deduction under the Internal Revenue Code for moving expenses,
23 as defined in s. 71.01 (8j), paid or incurred during the taxable year to move the
24 taxpayer's business operation, in whole or in part, to a location outside the state or
25 outside the United States is not allowed.

Amend 2-20

**2019-2020 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1929/P2ins
JK:amn&wlj

Insert 2 - 20

****NOTE: This is reconciled s.71.05 (6) (a) 30. This SECTION has been affected by drafts with the following LRB numbers: -1929/P1 and -1898/P3.

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1929/P2dn
JK:amn&wlj

This draft reconciles LRB-1898/P3 and LRB-1929/P1. Both of these drafts should continue to appear in the compiled bill.

Joseph T. Kreye
Legal Services Manager
(608) 504-5857
joseph.kreye@legis.wisconsin.gov

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1929/P2dn
JK:amn&wlj

February 21, 2019

This draft reconciles LRB-1898/P3 and LRB-1929/P1. Both of these drafts should continue to appear in the compiled bill.

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State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-1929/P2
JK:amn&wlj

APB
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DOA:.....Quinn, BB0322 - Deduction for expenses for moving out-of-state or out of the U.S.

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. Moving expense deduction

Under current law, a business may deduct from its income or franchise tax liability all expenses that the business paid to move its operations from one location to another, including expenses paid to relocate outside the state. Under this bill, a business may not deduct expenses paid to move outside the state or outside the United States.

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.** 71.01 (8j) of the statutes is created to read:

3 71.01 (8j) For purposes of ss. 71.05 (6) (a) 30., 71.21 (7), 71.26 (3) (e) 4., 71.34

4 (1k) (o), and 71.45 (2) (a) 20., "moving expenses" means all of the following:

expenses incurred to move the operation of a business, including

- 1 (a) Vehicle rentals.
- 2 (b) Storage rentals.
- 3 (c) Moving company expenses for packing, unpacking, and transportation.
- 4 (d) Consulting fees and surveys.
- 5 (e) Brokerage commissions or fees.
- 6 (f) Architecture, design, and remodeling expenses.
- 7 (g) Expenses paid or incurred to sell property in this state.
- 8 (h) Loss on the sale of property in this state.
- 9 (i) Lease cancellation fees.
- 10 (j) Expenses paid or incurred for professional services, including legal services.
- 11 (k) Utility fees.
- 12 (L) Employee wages.
- 13 (m) Reimbursement of an employee's expenses.
- 14 (n) The cost of meals, lodging, and fuel.
- 15 (o) Mileage deductions for vehicle use.

Wisconsin

16 **SECTION 2.** 71.05 (6) (a) 30. of the statutes is created to read:

17 71.05 (6) (a) 30. The amount deducted under the Internal Revenue Code as
18 moving expenses, as defined in s. 71.01 (8j), paid or incurred during the taxable year
19 to move the taxpayer's business operation, in whole or in part, to a location outside
20 the state or outside the United States.

***NOTE: This is reconciled s. 71.05 (6) (a) 30. This section has been affected by
drafts with the following LRB numbers: -1929/p1 and -1898/p3.

21 **SECTION 3.** 71.21 (7) of the statutes is created to read:

22 71.21 (7) A deduction under the Internal Revenue Code for moving expenses,
23 as defined in s. 71.01 (8j), paid or incurred during the taxable year to move the

to move the taxpayer's business operation

(3x) to move the taxpayer's business operations

WISCONSIN

1 taxpayer's business operation, in whole or in part, to a location outside the state or
2 outside the United States is not allowed.

3 **SECTION 4.** 71.26 (3) (e) 4. of the statutes is created to read:

4 71.26 (3) (e) 4. So that moving expenses, as defined in s. 71.01 (8j), paid or
5 incurred during the taxable year to move the taxpayer's business operation, in whole
6 or in part, to a location outside the state or outside the United States may not be
7 deducted as provided under the Internal Revenue Code.

8 **SECTION 5.** 71.34 (1k) (o) of the statutes is created to read:

9 71.34 (1k) (o) An addition shall be made for any amount deducted under the
10 Internal Revenue Code as moving expenses, as defined in s. 71.01 (8j), paid or
11 incurred during the taxable year to move the taxpayer's business operation, in whole
12 or in part, to a location outside the state or outside the United States.

13 **SECTION 6.** 71.45 (2) (a) 20. of the statutes is created to read:

14 71.45 (2) (a) 20. By adding to federal taxable income any amount deducted
15 under the Internal Revenue Code as moving expenses, as defined in s. 71.01 (8j), paid
16 or incurred during the taxable year to move the taxpayer's business operation, in
17 whole or in part, to a location outside the state or outside the United States.

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

19 (1) MOVING EXPENSES DEDUCTION. The treatment of ss. 71.01 (8j), 71.05 (6) (a)
20 30., 71.21 (7), 71.26 (3) (e) 4., 71.34 (1k) (o), and 71.45 (2) (a) 20. first applies to taxable
21 years beginning on January 1, 2019.

22 (END)

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State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-1929/P3
JK:amn/wlj/ejs

DOA:.....Quinn, BB0322 - Deduction for expenses for moving out-of-state or out of the U.S.

FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION

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

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TAXATION

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1. Moving expense deduction

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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.** 71.01 (8j) of the statutes is created to read:

1 71.01 (8j) For purposes of ss. 71.05 (6) (a) 30., 71.21 (7), 71.26 (3) (e) 4., 71.34
2 (1k) (o), and 71.45 (2) (a) 20., “moving expenses” means expenses incurred to move
3 the operation of a business, including all of the following:

4 (a) Vehicle rentals.

5 (b) Storage rentals.

6 (c) Moving company expenses for packing, unpacking, and transportation.

7 (d) Consulting fees and surveys.

8 (e) Brokerage commissions or fees.

9 (f) Architecture, design, and remodeling expenses.

10 (g) Expenses paid or incurred to sell property in this state.

11 (h) Loss on the sale of property in this state.

12 (i) Lease cancellation fees.

13 (j) Expenses paid or incurred for professional services, including legal services.

14 (k) Utility fees.

15 (L) Employee wages.

16 (m) Reimbursement of an employee’s expenses.

17 (n) The cost of meals, lodging, and fuel.

18 (o) Mileage deductions for vehicle use.

19 **SECTION 2.** 71.05 (6) (a) 30. of the statutes is created to read:

20 71.05 (6) (a) 30. The amount deducted under the Internal Revenue Code as
21 moving expenses, as defined in s. 71.01 (8j), paid or incurred during the taxable year
22 to move the taxpayer’s Wisconsin business operation, in whole or in part, to a location
23 outside the state or to move the taxpayer’s business operation outside the United
24 States.

****NOTE: This is reconciled s. 71.05 (6) (a) 30. This section has been affected by drafts with the following LRB numbers: -1929/p1 and -1898/p3.

1 **SECTION 3.** 71.21 (7) of the statutes is created to read:

2 71.21 (7) A deduction under the Internal Revenue Code for moving expenses,
3 as defined in s. 71.01 (8j), paid or incurred during the taxable year to move the
4 taxpayer's Wisconsin business operation, in whole or in part, to a location outside the
5 state or to move the taxpayer's business operation outside the United States is not
6 allowed.

7 **SECTION 4.** 71.26 (3) (e) 4. of the statutes is created to read:

8 71.26 (3) (e) 4. So that moving expenses, as defined in s. 71.01 (8j), paid or
9 incurred during the taxable year to move the taxpayer's Wisconsin business
10 operation, in whole or in part, to a location outside the state or to move the taxpayer's
11 business operation outside the United States may not be deducted as provided under
12 the Internal Revenue Code.

13 **SECTION 5.** 71.34 (1k) (o) of the statutes is created to read:

14 71.34 (1k) (o) An addition shall be made for any amount deducted under the
15 Internal Revenue Code as moving expenses, as defined in s. 71.01 (8j), paid or
16 incurred during the taxable year to move the taxpayer's Wisconsin business
17 operation, in whole or in part, to a location outside the state or to move the taxpayer's
18 business operation outside the United States.

19 **SECTION 6.** 71.45 (2) (a) 20. of the statutes is created to read:

20 71.45 (2) (a) 20. By adding to federal taxable income any amount deducted
21 under the Internal Revenue Code as moving expenses, as defined in s. 71.01 (8j), paid
22 or incurred during the taxable year to move the taxpayer's Wisconsin business

1 operation, in whole or in part, to a location outside the state or to move the taxpayer's
2 business operation outside the United States.

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

4 (1) MOVING EXPENSES DEDUCTION. The treatment of ss. 71.01 (8j), 71.05 (6) (a)
5 30., 71.21 (7), 71.26 (3) (e) 4., 71.34 (1k) (o), and 71.45 (2) (a) 20. first applies to taxable
6 years beginning on January 1, 2019.

7 (END)