

State of Misconsin 2019 - 2020 LEGISLATURE

LRB-2803/1 CMH:cdc

2019 SENATE BILL 208

1	AN ACT to renumber and amend 76.638 (2); and to create 76.638 (2) (b) and
2	76.638 (2m) of the statutes; relating to: allocation of early stage seed
3	investment credit to offset taxes imposed on insurers.

Analysis by the Legislative Reference Bureau

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

4 SECTION 1. 76.638 (2) of the statutes is renumbered 76.638 (2) (a) and amended 5 to read:

6 76.638 (2) (a) For taxable years beginning after December 31, 2008, subject to 7 the limitations provided under this subsection section and s. 238.15 or s. 560.205, 8 2009 stats., and except as provided in par. (b), an insurer may claim as a credit 9 against the fees imposed under s. 76.60, 76.63, 76.65, 76.66, or 76.67, 25 percent of 10 the insurer's investment paid to a fund manager that the fund manager invests in 11 a business certified under s. 238.15 or s. 560.205 (1), 2009 stats. 2019 - 2020 Legislature

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1SECTION 2. 76.638 (2) (b) of the statutes is created to read:276.638 (2) (b) In the case of a partnership, limited liability company, or

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3 tax-option corporation, the computation of the 25 percent limitation under par. (a) shall be determined at the entity level rather than the claimant level and may be 4 allocated among the claimants who make investments in the manner set forth in the $\mathbf{5}$ 6 entity's organizational documents. The entity shall provide to the department of revenue and to the department of commerce or the Wisconsin Economic 7 8 Development Corporation the names and tax identification numbers of the 9 claimants, the amounts of the credits allocated to the claimants, and the 10 computation of the allocations.

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SECTION 3. 76.638 (2m) of the statutes is created to read:

1276.638 (2m) LIMITATIONS. Partnerships, limited liability companies, and tax-option corporations may not claim the credit under this section, but the 1314 eligibility for, and the amount of, the credit are based on their payment of amounts 15under sub. (2). A partnership, limited liability company, or tax-option corporation 16 shall compute the amount of credit that each of its partners, members, or 17shareholders may claim and shall provide that information to each of them. 18 Partners, members of limited liability companies, and shareholders of tax-option 19 corporations may claim the credit in proportion to their ownership interest or as specially allocated in their organizational documents. 20

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(END)