

State of Wisconsin



2019 Senate Bill 208

Date of enactment: **November 25, 2019**

Date of publication*: **November 26, 2019**

2019 WISCONSIN ACT 61

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

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

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

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

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

76.638 (2) (b) In the case of a partnership, limited liability company, or 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 allocated among the claimants who make investments in the manner set forth in the entity's

organizational documents. The entity shall provide to the department of revenue and to the department of commerce or the Wisconsin Economic Development Corporation the names and tax identification numbers of the claimants, the amounts of the credits allocated to the claimants, and the computation of the allocations.

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

76.638 (2m) LIMITATIONS. Partnerships, limited liability companies, and tax-option corporations may not claim the credit under this section, but the eligibility for, and the amount of, the credit are based on their payment of amounts under sub. (2). A partnership, limited liability company, or tax-option corporation shall compute the amount of credit that each of its partners, members, or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interest or as specially allocated in their organizational documents.

* Section 991.11, WISCONSIN STATUTES: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication."