

2019 Senate Bill 208 (LRB -2803)

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. (FE)

2019

05-15.	S.	Introduced by Senators Marklein, L. Taylor, Cowles, Feyen, Olsen and Tiffany ; cosponsored by Representatives Zimmerman, Fields, Brandtjen, Crowley, Haywood, Hutton, Kuglitsch, Kulp, Krug, Loudenbeck, Macco, Murphy, Ohnstad, Ott, Quinn, Ramthun, Rohrkaste, Sinicki, Skowronski, Tauchen, Thiesfeldt, Vruwink and Zamarripa.	197
05-15.	S.	Read first time and referred to Committee on Agriculture, Revenue and Financial Institutions	197
05-17.	S.	Representative Considine added as a cosponsor	208
05-17.	S.	Fiscal estimate received	
05-21.	S.	Senator Kooyenga added as a coauthor	210
08-20.	S.	Public hearing held	
09-12.	S.	Representative Wittke added as a cosponsor	366
09-18.	S.	Executive action taken	
09-19.	S.	Report passage recommended by Committee on Agriculture, Revenue and Financial Institutions, Ayes 6, Noes 3	386
09-19.	S.	Available for scheduling	
11-01.	S.	Referred to joint committee on Finance by Committee on Senate Organization pursuant to Senate Rule 41 (1)(e), Ayes 3, Noes 2	472
11-01.	S.	Withdrawn from joint committee on Finance and made Available for Scheduling by committee on Senate Organization, pursuant to Senate Rule 41 (1)(e), Ayes 3, Noes 2	472
11-01.	S.	Placed on calendar 11-5-2019 pursuant to Senate Rule 18(1)	473
11-05.	S.	Read a second time	
11-05.	S.	Ordered to a third reading	
11-05.	S.	Rules suspended	
11-05.	S.	Read a third time and passed , Ayes 24, Noes 9	
11-05.	S.	Ordered immediately messaged	
11-05.	A.	Received from Senate	357
11-05.	A.	Read first time and referred to calendar of 11-7-2019 pursuant to Assembly Rule 42 (1)(a)	358
11-07.	A.	Rules suspended to withdraw from calendar and take up	
11-07.	A.	Read a second time	
11-07.	A.	Ordered to a third reading	
11-07.	A.	Rules suspended	
11-07.	A.	Read a third time and concurred in	
11-07.	A.	Ordered immediately messaged	



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ENROLLED BILL

Adopted Documents

Original

Engrossed

Substitute Amdt

19 2803, 1

Amendments: None or Listed below.

Corrections: None or Listed by date below.

11/8/19

Topic: Same as relating clause or Indicated below.

11/8/19

Date

Enrolling Drafter



State of Wisconsin
2019-2020 LEGISLATURE

CORRECTIONS IN:

2019 SENATE BILL 208

Prepared by the Legislative Reference Bureau
(November 8, 2019)

In enrolling, the following correction was made:

1. Page 2, line 3: delete "FILING CLAIMS."

(END)

LRB-2803/1ccc-1

CDC

Minor clerical corrections in legislation are authorized under s. 35.17, stats.; Senate Rule 31; Assembly Rule 36; and Joint Rule 56.



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-2803/1
EKL:cdc

2019 SENATE BILL 208

May 15, 2019 - Introduced by Senators MARKLEIN, L. TAYLOR, COWLES, FEYEN, OLSEN and TIFFANY, cosponsored by Representatives ZIMMERMAN, FIELDS, BRANDTJEN, CROWLEY, HAYWOOD, HUTTON, KUGLITSCH, KULP, KRUG, LOUDENBECK, MACCO, MURPHY, OHNSTAD, OTT, QUINN, RAMTHUN, ROHRKASTE, SINICKI, SKOWRONSKI, TAUCHEN, THIESFELDT, VRUWINK and ZAMARRIPA. Referred to Committee on Agriculture, Revenue and Financial Institutions.

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

This bill allows the allocation of the early stage seed investment credit to offset certain taxes imposed on insurers.

Under current law, insurers subject to the premium and gross investment income taxes may claim the early stage seed investment credit to offset them. The credit equals 25 percent of the claimant's investment paid to a fund manager who invests in a new business venture that is certified by the Wisconsin Economic Development Corporation. Under the bill, in the case of a partnership, limited liability company, or tax-option corporation, the 25 percent limitation is determined at the entity level, rather than the claimant level, and may be allocated among the claimants according to the entity's organizational documents. The bill also provides that a partnership, limited liability company, or tax-option corporation may not claim the credit against these taxes, but rather must compute the credit amount that each of its partners, members, or shareholders may claim and notify them of the amount. The partners, members, or shareholders may claim the credit according to their ownership interest or as specially allocated in the entity's organizational documents.

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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:

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

3 76.638 (2) (a) FILING CLAIMS. For taxable years beginning after December 31,
4 2008, subject to the limitations provided under this subsection section and s. 238.15
5 or s. 560.205, 2009 stats., and except as provided in par. (b). an insurer may claim
6 as a credit against the fees imposed under s. 76.60, 76.63, 76.65, 76.66, or 76.67, 25
7 percent of the insurer's investment paid to a fund manager that the fund manager
8 invests in a business certified under s. 238.15 or s. 560.205 (1), 2009 stats.

ccc
11/8/19
1.

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

10 76.638 (2) (b) In the case of a partnership, limited liability company, or
11 tax-option corporation, the computation of the 25 percent limitation under par. (a)
12 shall be determined at the entity level rather than the claimant level and may be
13 allocated among the claimants who make investments in the manner set forth in the
14 entity's organizational documents. The entity shall provide to the department of
15 revenue and to the department of commerce or the Wisconsin Economic
16 Development Corporation the names and tax identification numbers of the
17 claimants, the amounts of the credits allocated to the claimants, and the
18 computation of the allocations.

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

20 76.638 (2m) **LIMITATIONS.** Partnerships, limited liability companies, and
21 tax-option corporations may not claim the credit under this section, but the

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1 eligibility for, and the amount of, the credit are based on their payment of amounts
2 under sub. (2). A partnership, limited liability company, or tax-option corporation
3 shall compute the amount of credit that each of its partners, members, or
4 shareholders may claim and shall provide that information to each of them.
5 Partners, members of limited liability companies, and shareholders of tax-option
6 corporations may claim the credit in proportion to their ownership interest or as
7 specially allocated in their organizational documents.

8

(END)