

PROPOSED ORDER OF THE DEPARTMENT OF COMMERCE

CREATING RULES

The Wisconsin Department of Commerce proposes an order to create Comm 134 relating to investment credits for meat processing facilities, and affecting small businesses.

Analysis of Proposed Rules

1. Statutes Interpreted.

Sections 71.07 (3r), 71.28 (3r), 71.47 (3r), and 560.208, as created in 2009 Wisconsin Act 2.

2. Statutory Authority.

Sections 227.11 (2) (a) and 560.208 (4).

3. Explanation of Agency Authority.

Section 560.208 (4) of the Statutes requires the Department to promulgate rules for administering a program to certify applicants and allocate tax credits for the meat processing investments addressed in sections 71.07 (3r), 71.28 (3r) and 71.47 (3r) of the Statutes. Section 227.11 (2) (a) of the Statutes authorizes the Department to promulgate rules interpreting the provisions of any Statute administered by the Department.

4. Related Statute or Rule.

The Department has rules for several other programs associated with tax credits, but those programs are not targeted specifically to investments in meat processing facilities.

5. Summary of Rule.

The proposed rules in this order address (1) the eligibility requirements for applicants; (2) the documentation that must be submitted by an applicant to receive a certification for a meat processing facility investment credit, and to receive acceptance of incurred expenses; (3) the Department's response to the submitted documentation; and (4) filing a claim with the Department of Revenue for the corresponding tax credit.

6. Summary of, and Comparison With, Existing or Proposed Federal Regulations.

Neither the Department nor the Department of Revenue is aware of any existing or proposed federal regulations that address these tax credits.

7. Comparison With Rules in Adjacent States.

An Internet-based search of rules promulgated by Minnesota, Michigan, Illinois and Iowa revealed that each state offers various tax credit programs, but none that are similar to the meat processing facility investment credit in Wisconsin.

8. Summary of Factual Data and Analytical Methodologies.

The data and methodology for developing these proposed rules were derived from and consisted of (1) incorporating the applicable criteria from 2009 Wisconsin Act 2, (2) incorporating applicable best practices the Department has developed in administering the current tax credit program for dairy manufacturing facility investments, (3) soliciting and utilizing input from the Department of Revenue, and (4) reviewing Internet-based sources of related federal and state information.

9. Analysis and Supporting Documents Used to Determine Effect on Small Business or in Preparation of an Economic Impact Report.

The primary document that was used to determine the effect of the proposed rules on small businesses was 2009 Wisconsin Act 2. The proposed rules apply their private-sector requirements only to owners or operators of meat processing facilities who choose to pursue tax credits for investing in those facilities.

10. Effect on Small Business.

The proposed rules are not expected to impose significant costs or other impacts on small businesses because the rules address submittal of documentation only by applicants who choose to pursue tax credits for investments in meat processing facilities.

11. Agency Contact Person.

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