



State of Wisconsin
2001 - 2002 LEGISLATURE

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**ASSEMBLY AMENDMENT 8,
TO 2001 ASSEMBLY BILL 579**

October 30, 2001 – Offered by Representatives GROTHMAN and ZIEGELBAUER.

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 1, line 5: after “limitations,” insert “creating a certified capital
3 company income and franchise tax credit for insurers,”.

4 **2.** Page 3, line 1: before that line insert:

5 “**SECTION 1am.** 71.45 (2) (a) 10. of the statutes is amended to read:

6 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
7 computed under s. 71.47 (1dd) to (1dx) and (7) and not passed through by a
8 partnership, limited liability company, or tax-option corporation that has added that
9 amount to the partnership’s, limited liability company’s, or tax-option corporation’s
10 income under s. 71.21 (4) or 71.34 (1) (g) and the amount of credit computed under
11 s. 71.47 (1), (3), (4), and (5).

12 **SECTION 1b.** 71.47 (7) of the statutes is created to read:

13 71.47 (7) CERTIFIED CAPITAL COMPANY CREDIT. (a) In this subsection:

1 1. “Certified capital company” has the meaning given in s. 560.30 (2).

2 2. “Certified capital investment” has the meaning given in s. 560.30 (4).

3 3. “Investment date” has the meaning given in s. 560.30 (6).

4 4. “Investment pool” has the meaning given in s. 560.30 (7).

5 5. “Qualified investment” has the meaning given in s. 560.30 (11).

6 (b) An insurer who makes a certified capital investment may claim as a credit
7 against the tax imposed under s. 71.43, for 10 years beginning with the year of the
8 investment, an amount equal to either 10% of that investment or the amount by
9 which the sum of the insurer’s certified capital investments and the insurer’s
10 qualified investments exceeds the insurer’s qualified investments in the taxable year
11 before the insurer first claimed the credit under this section, whichever is less.

12 (c) Subsection 71.28 (4) (e), (f), (g), and (h), as it applies to the credit under 71.28
13 (4), applies to the credit under this subsection.

14 (d) Partnerships, limited liability companies, and tax-option corporations may
15 not claim the credit under this subsection, but the eligibility for, and the amount of,
16 the credit are based on their payment of a certified capital investment. A
17 partnership, limited liability company, or tax-option corporation shall compute the
18 amount of credit that each of its partners, members, or shareholders may claim and
19 shall provide that information to each of them. Partners, members of limited liability
20 companies, and shareholders of tax-option corporations may claim the credit in
21 proportion to their ownership interest.

22 (e) 1. If a certified capital company is decertified, or an investment pool is
23 disqualified, under s. 560.37 before the certified capital company fulfills the
24 investment requirement under s. 560.34 (1m) (a) 1. with respect to the investment
25 pool, any insurer that has received a credit under this subsection with respect to that

1 investment pool shall repay that credit to the department of revenue and may not
2 claim more credit in respect to that investment pool.

3 2. If a certified capital company fulfills the investment requirement under s.
4 560.34 (1m) (a) 1. with respect to an investment pool but the certified capital
5 company is decertified, or an investment pool is disqualified, under s. 560.37 before
6 the certified capital company fulfills the investment requirement under s. 560.34
7 (1m) (a) 2. for that investment pool, any insurer that has received a credit under this
8 subsection with respect to that investment pool shall repay all credits that were
9 claimed for taxable years after the taxable year that includes the 3rd anniversary of
10 the investment date of the investment pool and may claim no more credits for taxable
11 years after the taxable year that includes the 3rd anniversary of the investment date
12 of the investment pool.

13 (f) An insurer may sell a credit under this subsection to another insurer who
14 is subject to the tax imposed under s. 71.43 if the insurer notifies the commissioner
15 of insurance and the department of revenue of the sale and includes with such
16 notifications copies of the transfer documents.

17 **SECTION 1d.** 71.49 (1) (dm) of the statutes is created to read:

18 71.49 (1) (dm) Certified capital company credit under s. 71.47 (7).

19 **SECTION 1f.** 560.30 (3) of the statutes is amended to read:

20 560.30 (3) "Certified capital company tax credit" means the tax credit under
21 ~~s.~~ ss. 71.47 (7) and 76.635."

22 **3.** Page 3, line 1: delete "**SECTION 1**" and substitute "**SECTION 1m**".

23 **4.** Page 5, line 16: after that line insert:

24 "**SECTION 12m.** 560.37 (4) of the statutes is amended to read:

1 560.37 (4) EFFECT OF DECERTIFICATION. Decertification of a certified capital
2 company or an investment pool has the effects specified in ~~s.~~ ss. 71.47 (7) (e) and
3 76.635 (4).

4 **SECTION 12n.** 560.37 (5) of the statutes is amended to read:

5 560.37 (5) NOTICES TO CERTIFIED INVESTORS. The department shall notify a
6 certified investor when the certified capital company tax credit arising from a
7 certified investment is no longer subject to recapture and forfeiture under ~~s.~~ ss. 71.47
8 (7) (e) and 76.635 (4).

9 **SECTION 12p. Initial applicability.**

10 (1) The treatment of sections 71.47 (7) and 560.37 (4) and (5) of the statutes first
11 applies to taxable years beginning on January 1, 2002.”.

12 (END)