



State of Wisconsin
2011 - 2012 LEGISLATURE

January 2011 Special Session



LRBs0017/2
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**SENATE SUBSTITUTE AMENDMENT 1,
TO SENATE BILL 7**

January 20, 2011 – Offered by JOINT COMMITTEE ON FINANCE.

1 **AN ACT** *to create* 71.05 (6) (b) 47., 71.26 (1) (h) and 71.45 (1) (c) of the statutes;
2 **relating to:** a job creation income and franchise tax deduction and granting
3 rule-making authority.

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

4 **SECTION 1.** 71.05 (6) (b) 47. of the statutes is created to read:
5 71.05 (6) (b) 47. An amount equal to the increase in the number of full-time
6 equivalent employees employed by the taxpayer in this state during the taxable year,
7 multiplied by \$4,000 for a business with gross receipts of no greater than \$5,000,000
8 in the taxable year or \$2,000 for a business with gross receipts greater than
9 \$5,000,000 in the taxable year. For purposes of this subdivision, the increase in the
10 number of full-time equivalent employees employed by the taxpayer in this state
11 during the taxable year is determined by subtracting from the number of full-time

1 equivalent employees employed by the taxpayer in this state during the taxable year,
2 as determined by computing the average employee count from the taxpayer's
3 quarterly unemployment insurance reports or other information as required by the
4 department for the taxable year, the number of full-time equivalent employees
5 employed by the taxpayer in this state during the immediately preceding taxable
6 year, as determined by computing the average employee count from the taxpayer's
7 quarterly unemployment insurance reports or other information as required by the
8 department for the immediately preceding taxable year. No person may claim a
9 deduction under this subdivision if the person may claim a credit under this
10 subchapter based on the person relocating the person's business from another state
11 to this state and in an amount equal to the person's tax liability. The department
12 shall promulgate rules to administer this subdivision.

13 **SECTION 2.** 71.26 (1) (h) of the statutes is created to read:

14 71.26 (1) (h) An amount equal to the increase in the number of full-time
15 equivalent employees employed by the taxpayer in this state during the taxable year,
16 multiplied by \$4,000 for a business with gross receipts of no greater than \$5,000,000
17 in the taxable year or \$2,000 for a business with gross receipts greater than
18 \$5,000,000 in the taxable year. For purposes of this paragraph, the increase in the
19 number of full-time equivalent employees employed by the taxpayer in this state
20 during the taxable year is determined by subtracting from the number of full-time
21 equivalent employees employed by the taxpayer in this state during the taxable year,
22 as determined by computing the average employee count from the taxpayer's
23 quarterly unemployment insurance reports or other information as required by the
24 department for the taxable year, the number of full-time equivalent employees
25 employed by the taxpayer in this state during the immediately preceding taxable

1 year, as determined by computing the average employee count from the taxpayer's
2 quarterly unemployment insurance reports or other information as required by the
3 department for the immediately preceding taxable year. No person may claim a
4 deduction under this paragraph if the person may claim a credit under this
5 subchapter based on the person relocating the person's business from another state
6 to this state and in an amount equal to the person's tax liability. The department
7 shall promulgate rules to administer this paragraph.

8 **SECTION 3.** 71.45 (1) (c) of the statutes is created to read:

9 71.45 (1) (c) An amount equal to the increase in the number of full-time
10 equivalent employees employed by the taxpayer in this state during the taxable year,
11 multiplied by \$4,000 for a business with gross receipts of no greater than \$5,000,000
12 in the taxable year or \$2,000 for a business with gross receipts greater than
13 \$5,000,000 in the taxable year. For purposes of this paragraph, the increase in the
14 number of full-time equivalent employees employed by the taxpayer in this state
15 during the taxable year is determined by subtracting from the number of full-time
16 equivalent employees employed by the taxpayer in this state during the taxable year,
17 as determined by computing the average employee count from the taxpayer's
18 quarterly unemployment insurance reports or other information as required by the
19 department for the taxable year, the number of full-time equivalent employees
20 employed by the taxpayer in this state during the immediately preceding taxable
21 year, as determined by computing the average employee count from the taxpayer's
22 quarterly unemployment insurance reports or other information as required by the
23 department for the immediately preceding taxable year. No person may claim a
24 deduction under this paragraph if the person may claim a credit under this
25 subchapter based on the person relocating the person's business from another state

1 to this state and in an amount equal to the person's tax liability. The department
2 shall promulgate rules to administer this subdivision.

3 **SECTION 4. Nonstatutory provisions.**

4 (1) REQUIRED GENERAL FUND BALANCE. Section 20.003 (4) of the statutes does not
5 apply to the action of the legislature in enacting this act.

6 **SECTION 5. Initial applicability.**

7 (1) This act first applies to taxable years beginning on January 1, 2011.

8 (END)