



State of Wisconsin
2021 - 2022 LEGISLATURE

LRB-1135/P1
MPG:wlj

DOA:.....Quinn, BB0411 - Business Development Credit Technical Changes

FOR 2021-2023 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau
COMMERCE AND ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT

Business development tax credit changes

Under current law, the tax benefits WEDC may award to a person certified under the business development tax credit program include an amount equal to up to 50 percent of the person's training costs incurred to undertake activities to enhance an eligible employee's general knowledge, employability, and flexibility in the workplace; to develop skills unique to the person's workplace or equipment; or to develop skills that will increase the quality of the person's product. Under this bill, that criterion for awarding business development tax credits is changed to an amount equal to up to 50 percent of the person's training costs incurred to undertake activities to upgrade or improve the job-related skills of an eligible employee, train an eligible employee on the use of job-related new technologies, or provide job-related training to an eligible employee whose employment with the person represents the employee's first full-time job.

Also, under current law, the tax benefits WEDC may award to a person certified under the business development tax credit program include an amount determined by WEDC that is equal to a percentage of the amount of wages that the person paid to an eligible employee in the taxable year, if the position in which the eligible

employee was employed was created or retained in connection with the person's location or retention of the person's corporate headquarters in Wisconsin and the job duties associated with the eligible employee's position involve the performance of corporate headquarters functions. Under this bill, WEDC may award business development tax credits under that criterion regardless of whether the job duties associated with the eligible employee's position involve the performance of corporate headquarters functions.

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:

SECTION 1. 71.07 (3y) (b) 5. of the statutes is amended to read:

71.07 (3y) (b) 5. An amount, as determined by the Wisconsin Economic Development Corporation under s. 238.308 (4) (a) 5., equal to a percentage of the amount of wages that the claimant paid to an eligible employee in the taxable year if the position in which the eligible employee was employed was created or retained in connection with the claimant's location or retention of the claimant's corporate headquarters in Wisconsin and the job duties associated with the eligible employee's position involve the performance of corporate headquarters functions.

SECTION 2. 71.28 (3y) (b) 5. of the statutes is amended to read:

71.28 (3y) (b) 5. An amount, as determined by the Wisconsin Economic Development Corporation under s. 238.308 (4) (a) 5., equal to a percentage of the amount of wages that the claimant paid to an eligible employee in the taxable year if the position in which the eligible employee was employed was created or retained in connection with the claimant's location or retention of the claimant's corporate headquarters in Wisconsin and the job duties associated with the eligible employee's position involve the performance of corporate headquarters functions.

SECTION 3. 71.47 (3y) (b) 5. of the statutes is amended to read:

71.47 (3y) (b) 5. An amount, as determined by the Wisconsin Economic Development Corporation under s. 238.308 (4) (a) 5., equal to a percentage of the amount of wages that the claimant paid to an eligible employee in the taxable year if the position in which the eligible employee was employed was created or retained in connection with the claimant's location or retention of the claimant's corporate headquarters in Wisconsin and the job duties associated with the eligible employee's position involve the performance of corporate headquarters functions.

SECTION 4. 238.308 (4) (a) 3. of the statutes is amended to read:

238.308 (4) (a) 3. An amount equal to up to 50 percent of the person's training costs incurred to undertake activities to enhance an eligible employee's general knowledge, employability, and flexibility in the workplace; to develop skills unique to the person's workplace or equipment; or to develop skills that will increase the quality of the person's product upgrade or improve the job-related skills of an eligible employee, train an eligible employee on the use of job-related new technologies, or provide job-related training to an eligible employee whose employment with the person represents the employee's first full-time job.

SECTION 5. 238.308 (4) (a) 5. of the statutes is amended to read:

238.308 (4) (a) 5. An amount, as determined by the corporation, equal to a percentage of the amount of wages that the person paid to an eligible employee in the taxable year, if the position in which the eligible employee was employed was created or retained in connection with the person's location or retention of the person's corporate headquarters in Wisconsin and the job duties associated with the eligible employee's position involve the performance of corporate headquarters functions.

(END)