



State of Wisconsin
2021 - 2022 LEGISLATURE

LRB-1781/P1
EKL:cdc

DOA:.....Quinn, BB0563 - Base year methodology for tax credits

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

Base year for the enterprise zone tax credit

This bill modifies the definition of “base year” for purposes of the enterprise zone tax credit. Under current law, WEDC may certify businesses that engage in qualifying activities, including job creation and retention, for the credit. The amount of the credit for job creation or retention depends, in part, on the number of the business’s employees in the taxable year as compared to the number of employees in the base year. Current law defines “base year” to mean the taxable year beginning during the calendar year prior to the calendar year in which the enterprise zone was created. For businesses that enter into contracts with WEDC after December 31, 2021, the bill defines “base year” as the 12-month period prior to the date on which the claimant was certified to claim the tax credit.

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 (3w) (a) 1. of the statutes is renumbered 71.07 (3w) (a) 1. a. and amended to read:

71.07 (3w) (a) 1. a. ~~Base~~ Except as provided in subd. 1. b., “base year” means the taxable year beginning during the calendar year prior to the calendar year in which the enterprise zone in which the claimant is located takes effect.

SECTION 2. 71.07 (3w) (a) 1. b. of the statutes is created to read:

71.07 (3w) (a) 1. b. For a claimant whose contract with the Wisconsin Economic Development Corporation under s. 238.399 is executed after December 31, 2021, “base year” means the 12-month period prior to the date on which the claimant was certified under s. 238.399 (5).

SECTION 3. 71.28 (3w) (a) 1. of the statutes is renumbered 71.28 (3w) (a) 1. a. and amended to read:

71.28 (3w) (a) 1. a. ~~Base~~ Except as provided in subd. 1. b., “base year” means the taxable year beginning during the calendar year prior to the calendar year in which the enterprise zone in which the claimant is located takes effect.

SECTION 4. 71.28 (3w) (a) 1. b. of the statutes is created to read:

71.28 (3w) (a) 1. b. For a claimant whose contract with the Wisconsin Economic Development Corporation under s. 238.399 is executed after December 31, 2021, “base year” means the 12-month period prior to the date on which the claimant was certified under s. 238.399 (5).

SECTION 5. 71.47 (3w) (a) 1. of the statutes is renumbered 71.47 (3w) (a) 1. a. and amended to read:

71.47 (3w) (a) 1. a. ~~Base~~ Except as provided in subd. 1. b., “base year” means the taxable year beginning during the calendar year prior to the calendar year in which the enterprise zone in which the claimant is located takes effect.

SECTION 6. 71.47 (3w) (a) 1. b. of the statutes is created to read:

71.47 (3w) (a) 1. b. For a claimant whose contract with the Wisconsin Economic Development Corporation under s. 238.399 is executed after December 31, 2021, “base year” means the 12-month period prior to the date on which the claimant was certified under s. 238.399 (5).

(END)