



State of Wisconsin
2023 - 2024 LEGISLATURE

LRB-1788/P2
KP:cdc

DOA:.....Quinn, BB0497 - Refundable research credit increase

FOR 2023-2025 BUDGET -- NOT READY FOR INTRODUCTION

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

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

Research credit refunds

Under the bill, beginning in the 2024 tax year, if a person claims an amount for the research credit that exceeds the person's tax liability, the person will receive a refund in an amount not exceeding 50 percent of the allowable claim and may continue to claim the remaining unused portion in subsequent tax years. Current law allows a person to receive a refund in an amount not exceeding 15 percent of their allowable claim for the research credit. Under current law, the research credit is an income and franchise tax credit equal to a specified percentage of the person's qualified research expenses that exceed 50 percent of the average qualified research expenses for the three taxable years immediately preceding the taxable year for which the person claims the 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 (4k) (e) 2. a. of the statutes is amended to read:

71.07 (4k) (e) 2. a. For taxable years beginning before January 1, 2021, the amount of the claim not used to offset the tax due, not to exceed 10 percent of the allowable amount of the claim under par. (b) 4., 5., or 6., shall be certified by the department of revenue to the department of administration for payment by check, share draft, or other draft drawn from the appropriation account under s. 20.835 (2) (d). For subsequent taxable years beginning after December 31, 2020 and before January 1, 2024, the amount of the claim not used to offset the tax due, up to 15 percent of the allowable amount of the claim under par. (b) 4., 5., or 6., shall be certified by the department of revenue to the department of administration for payment by check, share draft, or other draft drawn from the appropriation account under s. 20.835 (2) (d).

SECTION 2. 71.07 (4k) (e) 2. ad. of the statutes is created to read:

71.07 (4k) (e) 2. ad. For taxable years beginning after December 31, 2023, the amount of the claim not used to offset the tax due, not to exceed 50 percent of the allowable amount of the claim under par. (b) 4., 5., or 6., shall be certified by the department of revenue to the department of administration for payment by check, share draft, or other draft drawn from the appropriation account under s. 20.835 (2) (d).

SECTION 3. 71.07 (4k) (e) 2. b. of the statutes is amended to read:

71.07 (4k) (e) 2. b. The amount of the claim not used to offset the tax due and not certified for payment under subd. 2. a. or 2. ad. may be carried forward and credited against Wisconsin income taxes otherwise due for the following 15 taxable years to the extent not offset by these taxes otherwise due in all intervening years

between the year in which the expense was incurred and the year in which the carry-forward credit is claimed.

SECTION 4. 71.28 (4) (k) 1. b. of the statutes is amended to read:

71.28 (4) (k) 1. b. For taxable years beginning after December 31, 2020 and before January 1, 2024, the amount of the claim not used to offset the tax due, up to 15 percent of the allowable amount of the claim under par. (ad) 4., 5., or 6., shall be certified by the department of revenue to the department of administration for payment by check, share draft, or other draft drawn from the appropriation account under s. 20.835 (2) (d).

SECTION 5. 71.28 (4) (k) 1. c. of the statutes is created to read:

71.28 (4) (k) 1. c. For taxable years beginning after December 31, 2023, the amount of the claim not used to offset the tax due, not to exceed 50 percent of the allowable amount of the claim under par. (ad) 4., 5., or 6., shall be certified by the department of revenue to the department of administration for payment by check, share draft, or other draft drawn from the appropriation account under s. 20.835 (2) (d).

SECTION 6. 71.47 (4) (k) 1. b. of the statutes is amended to read:

71.47 (4) (k) 1. b. For taxable years beginning after December 31, 2020 and before January 1, 2024, the amount of the claim not used to offset the tax due, up to 15 percent of the allowable amount of the claim under par. (ad) 4., 5., or 6., shall be certified by the department of revenue to the department of administration for payment by check, share draft, or other draft drawn from the appropriation account under s. 20.835 (2) (d).

SECTION 7. 71.47 (4) (k) 1. c. of the statutes is created to read:

71.47 (4) (k) 1. c. For taxable years beginning after December 31, 2023, the amount of the claim not used to offset the tax due, not to exceed 50 percent of the allowable amount of the claim under par. (ad) 4., 5., or 6., shall be certified by the department of revenue to the department of administration for payment by check, share draft, or other draft drawn from the appropriation account under s. 20.835 (2) (d).

(END)