



State of Wisconsin
2025 - 2026 LEGISLATURE

LRB-1952/P1
MDE&KP:skw

DOA:.....Quinn, BB0524 - Enterprise zone and business development tax credit wage thresholds

FOR 2025-2027 BUDGET -- NOT READY FOR INTRODUCTION

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

Analysis by the Legislative Reference Bureau

COMMERCE AND ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT

Wage thresholds for business development and enterprise zone tax credits

This bill raises the minimum wage thresholds for the business development and enterprise zone tax credits for businesses that enter into contracts with WEDC after December 31, 2025. Under current law, WEDC may certify businesses that engage in qualifying activities, including full-time job creation and retention, to claim the credits. One requirement for claiming either credit is that the business enter into a contract with WEDC. In its contracts, WEDC uses a definition of “full-time employee” that means an individual who, among other things, is paid at least 150 percent of the federal minimum wage. The bill changes this minimum wage threshold to \$34,220 for the business development tax credit and to \$34,220 in a tier I county or municipality and \$45,390 in a tier II county or municipality for the enterprise zone tax credit, with all these amounts adjusted annually for inflation. Additionally, under current law, the enterprise zone tax credit is partially based on the wages paid to zone employees that are at least 150 percent of the federal minimum wage in a tier I county or municipality or \$30,000 in a tier II county or municipality. The bill changes these thresholds to \$34,220 and \$45,390, respectively, with both amounts adjusted annually for inflation.

The bill also modifies the maximum wage earnings limit for businesses that enter into contracts with WEDC after December 31, 2025. Under current law, the maximum wage earnings that may be considered per employee for the enterprise zone tax credit is \$100,000. The bill increases this amount to \$151,300, which is adjusted annually for inflation, and establishes the same dollar amount limit for the business development tax credit.

The bill also adjusts the definition of “full-time job” for the purposes of the business development and enterprise zone jobs tax credits by removing the current requirement that a worker work at least 2,080 hours per year, including paid leave and holidays, in order to be considered “full-time.”

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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) 2m. of the statutes is created to read:

71.07 (3w) (a) 2m. “Contract” means the contract between the claimant and the Wisconsin Economic Development Corporation under s. 238.399.

SECTION 2. 71.07 (3w) (a) 6. of the statutes is renumbered 71.07 (3w) (a) 6. a. and amended to read:

71.07 (3w) (a) 6. a. “Zone payroll” means the amount of state payroll that is attributable to wages paid to full-time employees based in an enterprise zone. ~~“Zone~~ Except as provided in subd. 6. b., “zone payroll” does not include the amount of wages paid to any full-time employees that exceeds \$100,000.

SECTION 3. 71.07 (3w) (a) 6. b. of the statutes is created to read:

71.07 (3w) (a) 6. b. For a claimant whose contract is executed after December 31, 2025, “zone payroll” does not include the amount of wages paid to any full-time employees that exceeds \$151,300.

SECTION 4. 71.07 (3w) (b) (intro.) of the statutes is amended to read:

71.07 (3w) (b) *Filing claims under pre-2026 contracts; payroll.* (intro.) Subject to the limitations provided in this subsection and s. 238.399 or s. 560.799, 2009 stats., a claimant whose contract is executed prior to January 1, 2026, may claim as a credit against the tax imposed under s. 71.02 or 71.08 an amount calculated as follows:

SECTION 5. 71.07 (3w) (bd) of the statutes is created to read:

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71.07 (3w) (bd) *Filing claims under post-2025 contracts; payroll.* Subject to the limitations provided in this subsection and s. 238.399, a claimant whose contract is executed after December 31, 2025, may claim as a credit against the tax imposed under s. 71.02 an amount calculated as follows:

1. Determine the amount that is the lesser of:

a. The number of full-time employees whose annual wages are greater than \$34,220 in a tier I county or municipality or greater than \$45,390 in a tier II county or municipality and who the claimant employed in the enterprise zone in the taxable year, minus the number of full-time employees whose annual wages were greater than \$34,220 in a tier I county or municipality or greater than \$45,390 in a tier II county or municipality and who the claimant employed in the area that comprises the enterprise zone in the base year.

b. The number of full-time employees whose annual wages are greater than \$34,220 in a tier I county or municipality or greater than \$45,390 in a tier II county or municipality and who the claimant employed in the state in the taxable year, minus the number of full-time employees whose annual wages were greater than \$34,220 in a tier I county or municipality or greater than \$45,390 in a tier II county or municipality and who the claimant employed in the state in the base year.

2. Determine the claimant's average zone payroll by dividing the total wages for full-time employees whose annual wages are greater than \$34,220 in a tier I county or municipality or greater than \$45,390 in a tier II county or municipality and who the claimant employed in the enterprise zone in the taxable year by the number of full-time employees whose annual wages are greater than \$34,220 in a

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tier I county or municipality or greater than \$45,390 in a tier II county or municipality and who the claimant employed in the enterprise zone in the taxable year.

3. For employees in a tier I county or municipality, subtract \$34,220 from the amount determined under subd. 2. and for employees in a tier II county or municipality, subtract \$45,390 from the amount determined under subd. 2.

4. Multiply the amount determined under subd. 3. by the amount determined under subd. 1.

5. Multiply the amount determined under subd. 4. by the percentage determined under s. 238.399, not to exceed 7 percent.

SECTION 6. 71.07 (3w) (bm) 1. of the statutes is amended to read:

71.07 (**3w**) (bm) 1. In addition to the credits under ~~par.~~ pars. (b) and (bd) and subds. 2., 3., and 4., and subject to the limitations provided in this subsection and s. 238.399 or s. 560.799, 2009 stats., a claimant may claim as a credit against the tax imposed under s. 71.02 or 71.08 an amount equal to a percentage, as determined under s. 238.399 or s. 560.799, 2009 stats., not to exceed 100 percent, of the amount the claimant paid in the taxable year to upgrade or improve the job-related skills of any of the claimant's full-time employees, to train any of the claimant's full-time employees on the use of job-related new technologies, or to provide job-related training to any full-time employee whose employment with the claimant represents the employee's first full-time job. This subdivision does not apply to employees who do not work in an enterprise zone.

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SECTION 7. 71.07 (3w) (bm) 2. of the statutes is renumbered 71.07 (3w) (bm) 2. (intro.) and amended to read:

71.07 (**3w**) (bm) 2. (intro.) In addition to the credits under ~~par.~~ pars. (b) and (bd) and subds. 1., 3., and 4., and subject to the limitations provided in this subsection and s. 238.399 or s. 560.799, 2009 stats., a claimant may claim as a credit against the tax imposed under s. 71.02 or 71.08 one of the following amounts:

a. For a claimant whose contract is executed prior to January 1, 2026, an amount equal to the percentage, as determined under s. 238.399 or s. 560.799, 2009 stats., not to exceed 7 percent, of the claimant's zone payroll paid in the taxable year to all of the claimant's full-time employees whose annual wages are greater than the amount determined by multiplying 2,080 by 150 percent of the federal minimum wage in a tier I county or municipality, not including the wages paid to the employees determined under par. (b) 1., or greater than \$30,000 in a tier II county or municipality, not including the wages paid to the employees determined under par. (b) 1., and who the claimant employed in the enterprise zone in the taxable year, if the total number of such employees is equal to or greater than the total number of such employees in the base year. ~~A claimant may claim a credit under this subdivision for no more than 5 consecutive taxable years.~~

SECTION 8. 71.07 (3w) (bm) 2. b. of the statutes is created to read:

71.07 (**3w**) (bm) 2. b. For a claimant whose contract is executed after December 31, 2025, an amount equal to the percentage, as determined under s. 238.399, not to exceed 7 percent, of the claimant's zone payroll paid in the taxable year to all of the claimant's full-time employees whose annual wages are greater

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than \$34,220 in a tier I county or municipality, not including the wages paid to the employees determined under par. (bd) 1., or greater than \$45,390 in a tier II county or municipality, not including the wages paid to the employees determined under par. (bd) 1., and who the claimant employed in the enterprise zone in the taxable year, if the total number of such employees is equal to or greater than the total number of such employees in the base year.

SECTION 9. 71.07 (3w) (bm) 3. of the statutes is amended to read:

71.07 (**3w**) (bm) 3. In addition to the credits under ~~par.~~ pars. (b) and (bd) and subds. 1., 2., and 4., and subject to the limitations provided in this subsection and s. 238.399 or s. 560.799, 2009 stats., for taxable years beginning after December 31, 2008, a claimant may claim as a credit against the tax imposed under s. 71.02 or 71.08 up to 10 percent of the claimant's significant capital expenditures, as determined under s. 238.399 (5m) or s. 560.799 (5m), 2009 stats.

SECTION 10. 71.07 (3w) (bm) 4. of the statutes is amended to read:

71.07 (**3w**) (bm) 4. In addition to the credits under ~~par.~~ pars. (b) and (bd) and subds. 1., 2., and 3., and subject to the limitations provided in this subsection and s. 238.399 or s. 560.799, 2009 stats., for taxable years beginning after December 31, 2009, a claimant may claim as a credit against the tax imposed under s. 71.02 or 71.08, up to 1 percent of the amount that the claimant paid in the taxable year to purchase tangible personal property, items, property, or goods under s. 77.52 (1) (b), (c), or (d), or services from Wisconsin vendors, as determined under s. 238.399 (5) (e) or s. 560.799 (5) (e), 2009 stats., except that the claimant may not claim the credit under this subdivision and subd. 3. for the same expenditures.

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SECTION 11. 71.07 (3w) (cm) of the statutes is created to read:

71.07 (3w) (cm) *Inflation adjustments.* For taxable years beginning after December 31, 2026, the dollar amounts in pars. (a) 6. b., (bd) 1. a. and b., 2., and 3., and (bm) 2. b. shall be increased each year by a percentage equal to the percentage change between the U.S. consumer price index for all urban consumers, U.S. city average, for the month of August of the previous year and the U.S. consumer price index for all urban consumers, U.S. city average, for the month of August of the year before the previous year, as determined by the federal department of labor. Each amount that is revised under this paragraph shall be rounded to the nearest multiple of \$10 if the revised amount is not a multiple of \$10 or, if the revised amount is a multiple of \$5, such an amount shall be increased to the next higher multiple of \$10.

SECTION 12. 71.28 (3w) (a) 2m. of the statutes is created to read:

71.28 (3w) (a) 2m. “Contract” means the contract between the claimant and the Wisconsin Economic Development Corporation under s. 238.399.

SECTION 13. 71.28 (3w) (a) 6. of the statutes is renumbered 71.28 (3w) (a) 6. a. and amended to read:

71.28 (3w) (a) 6. a. “Zone payroll” means the amount of state payroll that is attributable to wages paid to full-time employees based in an enterprise zone. ~~“Zone~~ Except as provided in subd. 6. b., “zone payroll” does not include the amount of wages paid to any full-time employees that exceeds \$100,000.

SECTION 14. 71.28 (3w) (a) 6. b. of the statutes is created to read:

71.28 (3w) (a) 6. b. For a claimant whose contract is executed after December

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31, 2025, “zone payroll” does not include the amount of wages paid to any full-time employees that exceeds \$151,300.

SECTION 15. 71.28 (3w) (b) (intro.) of the statutes is amended to read:

71.28 (3w) (b) *Filing claims under pre-2026 contracts; payroll.* (intro.)

Subject to the limitations provided in this subsection and s. 238.399 or s. 560.799, 2009 stats., a claimant whose contract is executed prior to January 1, 2026, may claim as a credit against the tax imposed under s. 71.23 an amount calculated as follows:

SECTION 16. 71.28 (3w) (bd) of the statutes is created to read:

71.28 (3w) (bd) *Filing claims under post-2025 contracts; payroll.* Subject to the limitations provided in this subsection and s. 238.399, a claimant whose contract is executed after December 31, 2025, may claim as a credit against the tax imposed under s. 71.23 an amount calculated as follows:

1. Determine the amount that is the lesser of:

a. The number of full-time employees whose annual wages are greater than \$34,220 in a tier I county or municipality or greater than \$45,390 in a tier II county or municipality and who the claimant employed in the enterprise zone in the taxable year, minus the number of full-time employees whose annual wages were greater than \$34,220 in a tier I county or municipality or greater than \$45,390 in a tier II county or municipality and who the claimant employed in the area that comprises the enterprise zone in the base year.

b. The number of full-time employees whose annual wages are greater than \$34,220 in a tier I county or municipality or greater than \$45,390 in a tier II county

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or municipality and who the claimant employed in the state in the taxable year, minus the number of full-time employees whose annual wages were greater than \$34,220 in a tier I county or municipality or greater than \$45,390 in a tier II county or municipality and who the claimant employed in the state in the base year.

2. Determine the claimant's average zone payroll by dividing the total wages for full-time employees whose annual wages are greater than \$34,220 in a tier I county or municipality or greater than \$45,390 in a tier II county or municipality and who the claimant employed in the enterprise zone in the taxable year by the number of full-time employees whose annual wages are greater than \$34,220 in a tier I county or municipality or greater than \$45,390 in a tier II county or municipality and who the claimant employed in the enterprise zone in the taxable year.

3. For employees in a tier I county or municipality, subtract \$34,220 from the amount determined under subd. 2. and for employees in a tier II county or municipality, subtract \$45,390 from the amount determined under subd. 2.

4. Multiply the amount determined under subd. 3. by the amount determined under subd. 1.

5. Multiply the amount determined under subd. 4. by the percentage determined under s. 238.399, not to exceed 7 percent.

SECTION 17. 71.28 (3w) (bm) 1. of the statutes is amended to read:

71.28 (3w) (bm) 1. In addition to the credits under ~~par.~~ pars. (b) and (bd) and subds. 2., 3., and 4., and subject to the limitations provided in this subsection and s. 238.399 or s. 560.799, 2009 stats., a claimant may claim as a credit against the tax

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imposed under s. 71.23 an amount equal to a percentage, as determined under s. 238.399 or s. 560.799, 2009 stats., not to exceed 100 percent, of the amount the claimant paid in the taxable year to upgrade or improve the job-related skills of any of the claimant's full-time employees, to train any of the claimant's full-time employees on the use of job-related new technologies, or to provide job-related training to any full-time employee whose employment with the claimant represents the employee's first full-time job. This subdivision does not apply to employees who do not work in an enterprise zone.

SECTION 18. 71.28 (3w) (bm) 2. of the statutes is renumbered 71.28 (3w) (bm) 2. (intro.) and amended to read:

71.28 (**3w**) (bm) 2. (intro.) In addition to the credits under ~~par.~~ pars. (b) and (bd) and subds. 1., 3., and 4., and subject to the limitations provided in this subsection and s. 238.399 or s. 560.799, 2009 stats., a claimant may claim as a credit against the tax imposed under s. 71.23 one of the following amounts:

a. For a claimant whose contract is executed prior to January 1, 2026, an amount equal to the percentage, as determined under s. 238.399 or s. 560.799, 2009 stats., not to exceed 7 percent, of the claimant's zone payroll paid in the taxable year to all of the claimant's full-time employees whose annual wages are greater than the amount determined by multiplying 2,080 by 150 percent of the federal minimum wage in a tier I county or municipality, not including the wages paid to the employees determined under par. (b) 1., or greater than \$30,000 in a tier II county or municipality, not including the wages paid to the employees determined under par. (b) 1., and who the claimant employed in the enterprise zone in the

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taxable year, if the total number of such employees is equal to or greater than the total number of such employees in the base year. ~~A claimant may claim a credit under this subdivision for no more than 5 consecutive taxable years.~~

SECTION 19. 71.28 (3w) (bm) 2. b. of the statutes is created to read:

71.28 (3w) (bm) 2. b. For a claimant whose contract is executed after December 31, 2025, an amount equal to the percentage, as determined under s. 238.399, not to exceed 7 percent, of the claimant's zone payroll paid in the taxable year to all of the claimant's full-time employees whose annual wages are greater than \$34,220 in a tier I county or municipality, not including the wages paid to the employees determined under par. (bd) 1., or greater than \$45,390 in a tier II county or municipality, not including the wages paid to the employees determined under par. (bd) 1., and who the claimant employed in the enterprise zone in the taxable year, if the total number of such employees is equal to or greater than the total number of such employees in the base year.

SECTION 20. 71.28 (3w) (bm) 3. of the statutes is amended to read:

71.28 (3w) (bm) 3. In addition to the credits under ~~par.~~ pars. (b) and (bd) and subds. 1., 2., and 4., and subject to the limitations provided in this subsection and s. 238.399 or s. 560.799, 2009 stats., for taxable years beginning after December 31, 2008, a claimant may claim as a credit against the tax imposed under s. 71.23 up to 10 percent of the claimant's significant capital expenditures, as determined under s. 238.399 (5m) or s. 560.799 (5m), 2009 stats.

SECTION 21. 71.28 (3w) (bm) 4. of the statutes is amended to read:

71.28 (3w) (bm) 4. In addition to the credits under ~~par.~~ pars. (b) and (bd) and

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subds. 1., 2., and 3., and subject to the limitations provided in this subsection and s. 238.399 or s. 560.799, 2009 stats., for taxable years beginning after December 31, 2009, a claimant may claim as a credit against the tax imposed under s. 71.23, up to 1 percent of the amount that the claimant paid in the taxable year to purchase tangible personal property, items, property, or goods under s. 77.52 (1) (b), (c), or (d), or services from Wisconsin vendors, as determined under s. 238.399 (5) (e) or s. 560.799 (5) (e), 2009 stats., except that the claimant may not claim the credit under this subdivision and subd. 3. for the same expenditures.

SECTION 22. 71.28 (3w) (cm) of the statutes is created to read:

71.28 (3w) (cm) *Inflation adjustments.* For taxable years beginning after December 31, 2026, the dollar amounts in pars. (a) 6. b., (bd) 1. a. and b., 2., and 3., and (bm) 2. b. shall be increased each year by a percentage equal to the percentage change between the U.S. consumer price index for all urban consumers, U.S. city average, for the month of August of the previous year and the U.S. consumer price index for all urban consumers, U.S. city average, for the month of August of the year before the previous year, as determined by the federal department of labor. Each amount that is revised under this paragraph shall be rounded to the nearest multiple of \$10 if the revised amount is not a multiple of \$10 or, if the revised amount is a multiple of \$5, such an amount shall be increased to the next higher multiple of \$10.

SECTION 23. 71.47 (3w) (a) 2m. of the statutes is created to read:

71.47 (3w) (a) 2m. “Contract” means the contract between the claimant and the Wisconsin Economic Development Corporation under s. 238.399.

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SECTION 24. 71.47 (3w) (a) 6. of the statutes is renumbered 71.47 (3w) (a) 6. a. and amended to read:

71.47 (3w) (a) 6. a. “Zone payroll” means the amount of state payroll that is attributable to wages paid to full-time employees based in an enterprise zone. ~~“Zone~~ Except as provided in subd. 6. b., “zone payroll” does not include the amount of wages paid to any full-time employees that exceeds \$100,000.

SECTION 25. 71.47 (3w) (a) 6. b. of the statutes is created to read:

71.47 (3w) (a) 6. b. For a claimant whose contract is executed after December 31, 2025, “zone payroll” does not include the amount of wages paid to any full-time employees that exceeds \$151,300.

SECTION 26. 71.47 (3w) (b) (intro.) of the statutes is amended to read:

71.47 (3w) (b) *Filing claims under pre-2026 contracts; payroll.* (intro.) Subject to the limitations provided in this subsection and s. 238.399 or s. 560.799, 2009 stats., a claimant whose contract is executed prior to January 1, 2026, may claim as a credit against the tax imposed under s. 71.43 an amount calculated as follows:

SECTION 27. 71.47 (3w) (bd) of the statutes is created to read:

71.47 (3w) (bd) *Filing claims under post-2025 contracts; payroll.* Subject to the limitations provided in this subsection and s. 238.399, a claimant whose contract is executed after December 31, 2025, may claim as a credit against the tax imposed under s. 71.43 an amount calculated as follows:

1. Determine the amount that is the lesser of:

a. The number of full-time employees whose annual wages are greater than

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\$34,220 in a tier I county or municipality or greater than \$45,390 in a tier II county or municipality and who the claimant employed in the enterprise zone in the taxable year, minus the number of full-time employees whose annual wages were greater than \$34,220 in a tier I county or municipality or greater than \$45,390 in a tier II county or municipality and who the claimant employed in the area that comprises the enterprise zone in the base year.

b. The number of full-time employees whose annual wages are greater than \$34,220 in a tier I county or municipality or greater than \$45,390 in a tier II county or municipality and who the claimant employed in the state in the taxable year, minus the number of full-time employees whose annual wages were greater than \$34,220 in a tier I county or municipality or greater than \$45,390 in a tier II county or municipality and who the claimant employed in the state in the base year.

2. Determine the claimant's average zone payroll by dividing the total wages for full-time employees whose annual wages are greater than \$34,220 in a tier I county or municipality or greater than \$45,390 in a tier II county or municipality and who the claimant employed in the enterprise zone in the taxable year by the number of full-time employees whose annual wages are greater than \$34,220 in a tier I county or municipality or greater than \$45,390 in a tier II county or municipality and who the claimant employed in the enterprise zone in the taxable year.

3. For employees in a tier I county or municipality, subtract \$34,220 from the amount determined under subd. 2. and for employees in a tier II county or municipality, subtract \$45,390 from the amount determined under subd. 2.

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4. Multiply the amount determined under subd. 3. by the amount determined under subd. 1.

5. Multiply the amount determined under subd. 4. by the percentage determined under s. 238.399, not to exceed 7 percent.

SECTION 28. 71.47 (3w) (bm) 1. of the statutes is amended to read:

71.47 (3w) (bm) 1. In addition to the credits under ~~par.~~ pars. (b) and (bd) and subds. 2., 3., and 4., and subject to the limitations provided in this subsection and s. 238.399 or s. 560.799, 2009 stats., a claimant may claim as a credit against the tax imposed under s. 71.43 an amount equal to a percentage, as determined under s. 238.399 or s. 560.799, 2009 stats., not to exceed 100 percent, of the amount the claimant paid in the taxable year to upgrade or improve the job-related skills of any of the claimant's full-time employees, to train any of the claimant's full-time employees on the use of job-related new technologies, or to provide job-related training to any full-time employee whose employment with the claimant represents the employee's first full-time job. This subdivision does not apply to employees who do not work in an enterprise zone.

SECTION 29. 71.47 (3w) (bm) 2. of the statutes is renumbered 71.47 (3w) (bm) 2. (intro.) and amended to read:

71.47 (3w) (bm) 2. (intro.) In addition to the credits under ~~par.~~ pars. (b) and (bd) and subds. 1., 3., and 4., and subject to the limitations provided in this subsection and s. 238.399 or s. 560.799, 2009 stats., a claimant may claim as a credit against the tax imposed under s. 71.43 one of the following amounts:

a. For a claimant whose contract is executed prior to January 1, 2026, an

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amount equal to the percentage, as determined under s. 238.399 or s. 560.799, 2009 stats., not to exceed 7 percent, of the claimant's zone payroll paid in the taxable year to all of the claimant's full-time employees whose annual wages are greater than the amount determined by multiplying 2,080 by 150 percent of the federal minimum wage in a tier I county or municipality, not including the wages paid to the employees determined under par. (b) 1., or greater than \$30,000 in a tier II county or municipality, not including the wages paid to the employees determined under par. (b) 1., and who the claimant employed in the enterprise zone in the taxable year, if the total number of such employees is equal to or greater than the total number of such employees in the base year. ~~A claimant may claim a credit under this subdivision for no more than 5 consecutive taxable years.~~

SECTION 30. 71.47 (3w) (bm) 2. b. of the statutes is created to read:

71.47 **(3w)** (bm) 2. b. For a claimant whose contract is executed after December 31, 2025, an amount equal to the percentage, as determined under s. 238.399, not to exceed 7 percent, of the claimant's zone payroll paid in the taxable year to all of the claimant's full-time employees whose annual wages are greater than \$34,220 in a tier I county or municipality, not including the wages paid to the employees determined under par. (bd) 1., or greater than \$45,390 in a tier II county or municipality, not including the wages paid to the employees determined under par. (bd) 1., and who the claimant employed in the enterprise zone in the taxable year, if the total number of such employees is equal to or greater than the total number of such employees in the base year.

SECTION 31. 71.47 (3w) (bm) 3. of the statutes is amended to read:

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71.47 (3w) (bm) 3. In addition to the credits under ~~par.~~ pars. (b) and (bd) and subds. 1., 2., and 4., and subject to the limitations provided in this subsection and s. 238.399 or s. 560.799, 2009 stats., for taxable years beginning after December 31, 2008, a claimant may claim as a credit against the tax imposed under s. 71.43 up to 10 percent of the claimant's significant capital expenditures, as determined under s. 238.399 (5m) or s. 560.799 (5m), 2009 stats.

SECTION 32. 71.47 (3w) (bm) 4. of the statutes is amended to read:

71.47 (3w) (bm) 4. In addition to the credits under ~~par.~~ pars. (b) and (bd) and subds. 1., 2., and 3., and subject to the limitations provided in this subsection and s. 238.399 or s. 560.799, 2009 stats., for taxable years beginning after December 31, 2009, a claimant may claim as a credit against the tax imposed under s. 71.43, up to 1 percent of the amount that the claimant paid in the taxable year to purchase tangible personal property, items, property, or goods under s. 77.52 (1) (b), (c), or (d), or services from Wisconsin vendors, as determined under s. 238.399 (5) (e) or s. 560.799 (5) (e), 2009 stats., except that the claimant may not claim the credit under this subdivision and subd. 3. for the same expenditures.

SECTION 33. 71.47 (3w) (cm) of the statutes is created to read:

71.47 (3w) (cm) *Inflation adjustments.* For taxable years beginning after December 31, 2026, the dollar amounts in pars. (a) 6. b., (bd) 1. a. and b., 2., and 3., and (bm) 2. b. shall be increased each year by a percentage equal to the percentage change between the U.S. consumer price index for all urban consumers, U.S. city average, for the month of August of the previous year and the U.S. consumer price index for all urban consumers, U.S. city average, for the month of August of the year

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before the previous year, as determined by the federal department of labor. Each amount that is revised under this paragraph shall be rounded to the nearest multiple of \$10 if the revised amount is not a multiple of \$10 or, if the revised amount is a multiple of \$5, such an amount shall be increased to the next higher multiple of \$10.

SECTION 34. 238.308 (1) (b) of the statutes is amended to read:

238.308 (1) (b) For taxable years beginning after December 31, 2023, “full-time job” means a nonseasonal job for which the annual pay is more than ~~the amount determined by multiplying 2,080 by 150 percent of the federal minimum wage and for which the person is offered retirement, health, and other benefits~~ \$34,220 and benefits that are not required by federal or state law. “Full-time job” does not include initial training before an employment position begins.

SECTION 35. 238.308 (4) (a) 1. of the statutes is amended to read:

238.308 (4) (a) 1. An amount equal to up to 10 percent of the amount of wages that the person paid to an eligible employee in the taxable year. For contracts executed by the corporation after December 31, 2025, the amount of wages taken into account under this subdivision may not exceed \$151,300 per eligible employee per year. Beginning on January 1, 2027, the dollar amount under this subdivision shall be increased each year by a percentage equal to the percentage change between the U.S. consumer price index for all urban consumers, U.S. city average, for the month of August of the previous year and the U.S. consumer price index for all urban consumers, U.S. city average, for the month of August of the year before the previous year, as determined by the federal department of labor. Each amount that is revised under this subdivision shall be rounded to the nearest multiple of

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\$10 if the revised amount is not a multiple of \$10 or, if the revised amount is a multiple of \$5, such an amount shall be increased to the next higher multiple of \$10.

SECTION 36. 238.399 (1) (as) of the statutes is amended to read:

238.399 (1) (as) For taxable years beginning after December 31, 2023, “full-time job” means a nonseasonal job for which the annual pay is more than ~~the amount determined by multiplying 2,080 by 150 percent of the federal minimum wage and for which the person is offered retirement, health, and other benefits~~ \$34,220 in a tier I county or municipality or more than \$45,390 in a tier II county or municipality and benefits that are not required by federal or state law.

SECTION 37. 238.399 (6) (h) of the statutes is created to read:

238.399 (6) (h) Beginning on January 1, 2027, the dollar amount in sub. (1) (as) shall be increased each year by a percentage equal to the percentage change between the U.S. consumer price index for all urban consumers, U.S. city average, for the month of August of the previous year and the U.S. consumer price index for all urban consumers, U.S. city average, for the month of August of the year before the previous year, as determined by the federal department of labor. Each amount that is revised under this paragraph shall be rounded to the nearest multiple of \$10 if the revised amount is not a multiple of \$10 or, if the revised amount is a multiple of \$5, such an amount shall be increased to the next higher multiple of \$10.

SECTION 9349. Initial applicability; Wisconsin Economic Development Corporation.

(1) ENTERPRISE ZONE AND BUSINESS DEVELOPMENT TAX CREDIT WAGE

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THRESHOLDS. The treatment of ss. 238.308 (1) (b) and 238.399 (1) (as) first applies to taxable years beginning on January 1, 2026.

(END)