WISCONSIN LEGISLATIVE COUNCIL
ACT MEMO

2003 Wisconsin Act 135 [2003Assembly Bill 283]	**Dairy Investment Credit**
2003 Acts: www.legis.state.wi.us/2003/data/acts/	**Act Memos:** www.legis.state.wi.us/lc/act_memo/act_memo.htm

2003 Wisconsin Act 135 creates a credit against individual and corporate income and franchise taxes for certain expenses related to the modernization or expansion of a dairy farm. "Dairy farm modernization or expansion" is defined as the construction, improvement, or acquisition of buildings or facilities, or the acquisition of equipment, for dairy animal housing, confinement, feeding, milk production, or waste management, including a list of specific types of facilities and equipment, if used exclusively for dairy animals. The Act specifies that "dairy animal" includes heifers raised as replacement dairy animals and that "dairy farm" includes facilities used to raise heifers as replacement dairy animals.

A claimant of the credit may deduct from the amount of taxes owed an amount equal to 10% of expenses for dairy farm modernization or expansion incurred in the same taxable year. The credit is not refundable, that is, if the amount of the credit exceeds the amount of taxes owed, the state will not pay the difference to the claimant. However, the claimant may carry the difference over as a credit on subsequent years' taxes. No claimant may claim a total of more than $50,000 in credits over the life of the program. No claimant may claim a credit for any expense that the claimant deducts as a business expense on federal income taxes.

The credit applies to taxable years that begin after December 31, 2003, and before January 1, 2010. Put another way, it applies to the six taxable years beginning on or after January 1, 2004.

Effective Date: The Act took effect on March 16, 2004.

Prepared by: David L. Lovell, Senior Analyst   March 17, 2004

DLL:tlu

This memo provides a brief description of the Act. For more detailed information,
consult the text of the law and related legislative documents.