



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2011 Senate Bill 164	Senate Substitute Amendment 1 and Senate Amendment 1 to Senate Substitute Amendment 1
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2011 Senate Bill 164

Senate Bill 164 creates an individual state income tax credit and a corporate state income and franchise tax credit for workplace wellness programs in taxable years beginning on or after January 1, 2012. A claimant may claim the credit for three taxable years, in an amount equal to 30% of the amount that the claimant paid in the taxable year to provide a workplace wellness program to employees who are employed in Wisconsin.

For purposes of the tax credit, a workplace wellness program is a health or fitness program that is certified by the Department of Health Services (DHS) and that includes health risk assessments, as well as one or more of the following programs or services: smoking cessation; weight management; stress management; injury prevention; health screenings; nutrition education; health or fitness incentives; vaccinations; or employee physical exams. Costs related to the acquisition, construction, rehabilitation, remodeling, or repair of real property do not qualify as eligible expenses for purposes of the tax credit.

Under the bill, the Department of Revenue (DOR) must determine the amount of tax credits to be allocated to each claimant. In any year, the total amount of tax credits allocated may not exceed \$5 million. With certain exceptions, DOR may not allocate more than \$2.5 million per year in credits to businesses with more than 50 employees, and may not allocate more than \$2.5 million per year in credits to businesses with 50 or fewer employees. Under the bill, credits that are not completely offset by Wisconsin income or franchise taxes may be carried forward for 15 years.

Senate Substitute Amendment 1

Senate Substitute Amendment 1 modifies the bill as follows:

- Limits the tax credits to workplace wellness programs for employees who are employed at a small business. A “small business” means a business that has 50 or fewer employees.
- Provides that no tax credits may be claimed for workplace wellness programs in existence prior to the effective date of the bill.
- Reduces the total amount of tax credits that may be allocated in a year to ***\$3 million*** (as opposed to \$5 million under the original bill).
- Reduces the number of years that unused credits may be carried forward to ***five years*** (as opposed to 15 years under the original bill).

Senate Amendment 1 to Senate Substitute Amendment 1

Senate Amendment 1 to Senate Substitute Amendment 1 directs DOR to include, on the form for filing a claim for the credit, a notice that federal workplace wellness grants may also be available to the claimant.

Legislative History

2011 Senate Bill 164 was introduced on August 11, 2011 by Senator Moulton. On October 18, 2011, Senator Moulton introduced Senate Substitute Amendment 1. Senator Holperin introduced Senate Amendment 1 to Senate Substitute Amendment 1 on October 20, 2011. On October 24, 2011, the Senate Committee on Workforce Development, Small Business and Tourism recommended adoption of Senate Substitute Amendment 1 on a vote of Ayes, 4; Noes, 1; recommended adoption of Senate Amendment 1 to Senate Substitute Amendment 1 on a vote of Ayes, 5; Noes, 0; and recommended passage of the bill, as amended, on a vote of Ayes, 4; Noes, 1.

SG:ksm