



2005 ASSEMBLY BILL 145

February 28, 2005 – Introduced by Representatives NERISON, GRONEMUS, OTT, GARD, VRUWINK, AINSWORTH, TOWNS, LOEFFELHOLZ, SUDER, KESTELL, ALBERS, BALLWEG, DAVIS, FREESE, GUNDERSON, HAHN, KRAWCZYK, McCORMICK, MUSSER, HUNDERTMARK, OWENS, PETTIS and TOWNSEND, cosponsored by Senators KAPANKE, ERPENBACH, A. LASEE and ROESSLER. Referred to Committee on Agriculture.

1 **AN ACT to renumber** 71.07 (3n) (b), 71.28 (3n) (b) and 71.47 (3n) (b); **to amend**
2 71.07 (3n) (a) 2. (intro.), 71.28 (3n) (a) 2. (intro.) and 71.47 (3n) (a) 2. (intro.); and
3 **to create** 71.07 (3n) (a) 3., 71.07 (3n) (a) 4., 71.07 (3n) (a) 5., 71.07 (3n) (b) 2.,
4 71.28 (3n) (a) 3., 71.28 (3n) (a) 4., 71.28 (3n) (a) 5., 71.28 (3n) (b) 2., 71.47 (3n)
5 (a) 3., 71.47 (3n) (a) 4., 71.47 (3n) (a) 5. and 71.47 (3n) (b) 2. of the statutes;
6 **relating to:** creating an income and franchise tax credit for livestock farm
7 modernization or expansion.

Analysis by the Legislative Reference Bureau

Under current law, for taxable years that begin after December 31, 2003, and before January 1, 2010, a person may claim an income and franchise tax credit equal to 10 percent of the amount the person paid in the taxable year for dairy farm modernization or expansion. Current law defines “dairy farm modernization or expansion” as the construction, the improvement, or the acquisition of buildings or facilities, or the acquisition of equipment, for dairy animal housing, confinement, animal feeding, milk production, or waste management, if used exclusively related to dairy animals. The term “used exclusively” is not defined.

This bill clarifies that the dairy investment credit applies to property and equipment that is acquired and placed in service in this state during taxable years that begin after December 31, 2003, and before January 1, 2010. In addition, under

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the bill, “used exclusively” means used to the exclusion of all other uses except for other use not exceeding 5 percent of total use.

This bill also expands the dairy investment credit so that, for taxable years beginning after December 31, 2004, and before January 1, 2011, a person may claim the credit in an amount equal to 10 percent of the amount that the person paid in the taxable year to modernize or expand the person’s livestock farm. Under the bill, “livestock” means domestic animals, other than dairy animals, used in this state for the production of food, fiber, or other animal products, including bovine animals, swine, poultry, fish, sheep, and goats, but excluding equine animals, deer, ratites, camelidae, and mink.

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:

1 **SECTION 1.** 71.07 (3n) (a) 2. (intro.) of the statutes is amended to read:

2 71.07 **(3n)** (a) 2. (intro.) “Dairy farm modernization or expansion” means the
3 construction, the improvement, or the acquisition of buildings or facilities, or the
4 acquisition of equipment, for dairy animal housing, confinement, animal feeding,
5 milk production, or waste management, including the following, if used exclusively
6 related to dairy animals and if acquired and placed in service in this state during
7 taxable years that begin after December 31, 2003, and before January 1, 2010:

8 **SECTION 2.** 71.07 (3n) (a) 3. of the statutes is created to read:

9 71.07 **(3n)** (a) 3. “Livestock” means domestic animals, other than dairy
10 animals, used in this state in the production of food, fiber, or other animal products
11 and includes bovine animals, swine, poultry, fish, sheep, and goats. “Livestock” does
12 not include equine animals, deer, ratites, camelidae, or mink.

13 **SECTION 3.** 71.07 (3n) (a) 4. of the statutes is created to read:

14 71.07 **(3n)** (a) 4. “Livestock farm modernization or expansion” means the
15 construction, the improvement, or the acquisition of buildings or facilities, or the

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1 acquisition of equipment, for livestock housing, confinement, feeding, or waste
2 management, including the following, if used exclusively related to livestock and if
3 acquired and placed in service in this state during taxable years that begin after
4 December 31, 2004, and before January 1, 2011:

5 a. Birthing structures.

6 b. Rearing structures.

7 c. Feedlot structures.

8 d. Feed storage and handling equipment.

9 e. Fences.

10 f. Watering facilities.

11 g. Scales.

12 h. Manure pumping and storage facilities.

13 i. Digesters.

14 j. Equipment used to produce energy.

15 k. Fish hatchery buildings on fish farms.

16 L. Fish processing buildings on fish farms.

17 m. Fish rearing ponds on fish farms.

18 **SECTION 4.** 71.07 (3n) (a) 5. of the statutes is created to read:

19 71.07 (3n) (a) 5. "Used exclusively" means used to the exclusion of all other uses
20 except for other use not exceeding 5 percent of total use.

21 **SECTION 5.** 71.07 (3n) (b) of the statutes is renumbered 71.07 (3n) (b) 1.

22 **SECTION 6.** 71.07 (3n) (b) 2. of the statutes is created to read:

23 71.07 (3n) (b) 2. Subject to the limitations provided in this subsection, for
24 taxable years that begin after December 31, 2004, and before January 1, 2011, a
25 claimant may claim as a credit against the tax imposed under ss. 71.02 and 71.08 an

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1 amount equal to 10 percent of the amount the claimant paid in the taxable year for
2 livestock farm modernization or expansion related to the operation of the claimant's
3 livestock farm.

4 **SECTION 7.** 71.28 (3n) (a) 2. (intro.) of the statutes is amended to read:

5 71.28 **(3n)** (a) 2. (intro.) "Dairy farm modernization or expansion" means the
6 construction, the improvement, or the acquisition of buildings or facilities, or
7 acquiring equipment, for dairy animal housing, confinement, animal feeding, milk
8 production, or waste management, including the following, if used exclusively
9 related to dairy animals and if acquired and placed in service in this state during
10 taxable years that begin after December 31, 2003, and before January 1, 2010:

11 **SECTION 8.** 71.28 (3n) (a) 3. of the statutes is created to read:

12 71.28 **(3n)** (a) 3. "Livestock" means domestic animals, other than dairy
13 animals, used in this state in the production of food, fiber, or other animal products
14 and includes bovine animals, swine, poultry, fish, sheep, and goats. "Livestock" does
15 not include equine animals, deer, ratites, camelidae, or mink.

16 **SECTION 9.** 71.28 (3n) (a) 4. of the statutes is created to read:

17 71.28 **(3n)** (a) 4. "Livestock farm modernization or expansion" means the
18 construction, the improvement, or the acquisition of buildings or facilities, or the
19 acquisition of equipment, for livestock housing, confinement, feeding, or waste
20 management, including the following, if used exclusively related to livestock and if
21 acquired and placed in service in this state during taxable years that begin after
22 December 31, 2004, and before January 1, 2011:

- 23 a. Birthing structures.
24 b. Rearing structures.
25 c. Feedlot structures.

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- 1 d. Feed storage and handling equipment.
- 2 e. Fences.
- 3 f. Watering facilities.
- 4 g. Scales.
- 5 h. Manure pumping and storage facilities.
- 6 i. Digesters.
- 7 j. Equipment used to produce energy.
- 8 k. Fish hatchery buildings on fish farms.
- 9 L. Fish processing buildings on fish farms.
- 10 m. Fish rearing ponds on fish farms.

11 **SECTION 10.** 71.28 (3n) (a) 5. of the statutes is created to read:

12 71.28 (3n) (a) 5. “Used exclusively” means used to the exclusion of all other uses
13 except for other use not exceeding 5 percent of total use.

14 **SECTION 11.** 71.28 (3n) (b) of the statutes is renumbered 71.28 (3n) (b) 1.

15 **SECTION 12.** 71.28 (3n) (b) 2. of the statutes is created to read:

16 71.28 (3n) (b) 2. Subject to the limitations provided in this subsection, for
17 taxable years that begin after December 31, 2004, and before January 1, 2011, a
18 claimant may claim as a credit against the tax imposed under s. 71.23 an amount
19 equal to 10 percent of the amount the claimant paid in the taxable year for livestock
20 farm modernization or expansion related to the operation of the claimant’s livestock
21 farm.

22 **SECTION 13.** 71.47 (3n) (a) 2. (intro.) of the statutes is amended to read:

23 71.47 (3n) (a) 2. (intro.) “Dairy farm modernization or expansion” means the
24 construction, the improvement, or the acquisition of buildings or facilities, or the
25 acquisition of equipment, for dairy animal housing, confinement, animal feeding,

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1 milk production, or waste management, including the following, if used exclusively
2 related to dairy animals and if acquired and placed in service in this state during
3 taxable years that begin after December 31, 2003, and before January 1, 2010:

4 **SECTION 14.** 71.47 (3n) (a) 3. of the statutes is created to read:

5 71.47 **(3n)** (a) 3. “Livestock” means domestic animals, other than dairy
6 animals, used in this state in the production of food, fiber, or other animal products
7 and includes bovine animals, swine, poultry, fish, sheep, and goats. “Livestock” does
8 not include equine animals, deer, ratites, camelidae, or mink.

9 **SECTION 15.** 71.47 (3n) (a) 4. of the statutes is created to read:

10 71.47 **(3n)** (a) 4. “Livestock farm modernization or expansion” means the
11 construction, the improvement, or the acquisition of buildings or facilities, or the
12 acquisition of equipment, for livestock housing, confinement, feeding, or waste
13 management, including the following, if used exclusively related to livestock and if
14 acquired and placed in service in this state during taxable years that begin after
15 December 31, 2004, and before January 1, 2011:

- 16 a. Birthing structures.
- 17 b. Rearing structures.
- 18 c. Feedlot structures.
- 19 d. Feed storage and handling equipment.
- 20 e. Fences.
- 21 f. Watering facilities.
- 22 g. Scales.
- 23 h. Manure pumping and storage facilities.
- 24 i. Digesters.
- 25 j. Equipment used to produce energy.

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1 k. Fish hatchery buildings on fish farms.

2 L. Fish processing buildings on fish farms.

3 m. Fish rearing ponds on fish farms.

4 **SECTION 16.** 71.47 (3n) (a) 5. of the statutes is created to read:

5 71.47 (3n) (a) 5. "Used exclusively" means used to the exclusion of all other uses
6 except for other use not exceeding 5 percent of total use.

7 **SECTION 17.** 71.47 (3n) (b) of the statutes is renumbered 71.47 (3n) (b) 1.

8 **SECTION 18.** 71.47 (3n) (b) 2. of the statutes is created to read:

9 71.47 (3n) (b) 2. Subject to the limitations provided in this subsection, for
10 taxable years that begin after December 31, 2004, and before January 1, 2011, a
11 claimant may claim as a credit against the tax imposed under s. 71.43 an amount
12 equal to 10 percent of the amount the claimant paid in the taxable year for livestock
13 farm modernization or expansion related to the operation of the claimant's livestock
14 farm.

15 (END)