



2009 SENATE BILL 559

February 26, 2010 - Introduced by Senators VINEHOUT, HARS DORF, TAYLOR and SCHULTZ, cosponsored by Representatives VRUWINK, SMITH, RIPP, A. OTT, JORGENSEN, RADCLIFFE, DANOU, MOLEPSKE JR., GARTHWAITE, KESTELL, DAVIS, BERCEAU, HEBL, BROOKS, SPANBAUER, BALLWEG, STRACHOTA, BLACK, ZEPNICK, TURNER, PETERSEN, TOWNSEND, ZIGMUNT, SINICKI, BIES, HIXSON, LEMAHIEU, NERISON, HRAYCHUCK and HUBLER. Referred to Committee on Health, Health Insurance, Privacy, Property Tax Relief, and Revenue.

1 **AN ACT to repeal** 71.07 (3n) (a) 6. c., 71.28 (3n) (a) 6. c. and 71.47 (3n) (a) 6. c.;

2 **and to amend** 71.07 (3n) (a) 2. (intro.), 71.07 (3n) (a) 6. b., 71.07 (3n) (b) 1., 71.07

3 (3n) (d), 71.07 (3n) (e) 1., 71.07 (3n) (e) 2., 71.28 (3n) (a) 2. (intro.), 71.28 (3n) (a)

4 6. b., 71.28 (3n) (b) 1., 71.28 (3n) (d), 71.28 (3n) (e) 1., 71.28 (3n) (e) 2., 71.47 (3n)

5 (a) 2. (intro.), 71.47 (3n) (a) 6. b., 71.47 (3n) (b) 1., 71.47 (3n) (d), 71.47 (3n) (e)

6 1. and 71.47 (3n) (e) 2. of the statutes; **relating to:** the dairy and livestock

7 investment tax credits.

Analysis by the Legislative Reference Bureau

Under current law, a taxpayer may claim an income and franchise tax credit for amounts paid for dairy farm modernization and expansion for taxable years beginning after December 31, 2003, and before January 1, 2010. Under this bill, a taxpayer may claim the dairy farm modernization and expansion credit for taxable years beginning after December 31, 2003, and before January 1, 2012.

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:

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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~~ 2012:

8 **SECTION 2.** 71.07 (3n) (a) 6. b. of the statutes is amended to read:

9 71.07 **(3n)** (a) 6. b. For taxable years that begin after December 31, 2005, and
10 before January 1, ~~2010~~ 2012, “used exclusively,” related to livestock, dairy animals,
11 or both, means used to the exclusion of all other uses except for use not exceeding 5
12 percent of total use.

13 **SECTION 3.** 71.07 (3n) (a) 6. c. of the statutes is repealed.

14 **SECTION 4.** 71.07 (3n) (b) 1. of the statutes is amended to read:

15 71.07 **(3n)** (b) 1. Subject to the limitations provided in this subsection, for
16 taxable years that begin after December 31, 2003, and before January 1, ~~2010~~ 2012,
17 a claimant may claim as a credit against the tax imposed under ss. 71.02 and 71.08
18 an amount equal to 10% of the amount the claimant paid in the taxable year for dairy
19 farm modernization or expansion related to the operation of the claimant’s dairy
20 farm.

21 **SECTION 5.** 71.07 (3n) (d) of the statutes is amended to read:

22 71.07 **(3n)** (d) The aggregate amount of credits that a claimant may claim
23 under this subsection is ~~\$50,000~~ \$75,000.

24 **SECTION 6.** 71.07 (3n) (e) 1. of the statutes is amended to read:

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1 71.07 (3n) (e) 1. Partnerships, limited liability companies, and tax-option
2 corporations may not claim the credit under this subsection, but the eligibility for,
3 and the amount of, the credit are based on their payment of expenses under par. (b),
4 except that the aggregate amount of credits that the entity may compute shall not
5 exceed ~~\$50,000~~ \$75,000. A partnership, limited liability company, or tax-option
6 corporation shall compute the amount of credit that each of its partners, members,
7 or shareholders may claim and shall provide that information to each of them.
8 Partners, members of limited liability companies, and shareholders of tax-option
9 corporations may claim the credit in proportion to their ownership interest.

10 **SECTION 7.** 71.07 (3n) (e) 2. of the statutes is amended to read:

11 71.07 (3n) (e) 2. If 2 or more persons own and operate the dairy or livestock
12 farm, each person may claim a credit under par. (b) in proportion to his or her
13 ownership interest, except that the aggregate amount of the credits claimed by all
14 persons who own and operate the farm shall not exceed ~~\$50,000~~ \$75,000.

15 **SECTION 8.** 71.28 (3n) (a) 2. (intro.) of the statutes is amended to read:

16 71.28 (3n) (a) 2. (intro.) “Dairy farm modernization or expansion” means the
17 construction, the improvement, or the acquisition of buildings or facilities, or
18 acquiring equipment, for dairy animal housing, confinement, animal feeding, milk
19 production, or waste management, including the following, if used exclusively
20 related to dairy animals and if acquired and placed in service in this state during
21 taxable years that begin after December 31, 2003, and before January 1, ~~2010~~ 2012:

22 **SECTION 9.** 71.28 (3n) (a) 6. b. of the statutes is amended to read:

23 71.28 (3n) (a) 6. b. For taxable years that begin after December 31, 2005, and
24 before January 1, ~~2010~~ 2012, “used exclusively,” related to livestock, dairy animals,

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1 or both, means used to the exclusion of all other uses except for use not exceeding 5
2 percent of total use.

3 **SECTION 10.** 71.28 (3n) (a) 6. c. of the statutes is repealed.

4 **SECTION 11.** 71.28 (3n) (b) 1. of the statutes is amended to read:

5 71.28 **(3n)** (b) 1. Subject to the limitations provided in this subsection, for
6 taxable years that begin after December 31, 2003, and before January 1, ~~2010~~ 2012,
7 a claimant may claim as a credit against the tax imposed under s. 71.23 an amount
8 equal to 10% of the amount the claimant paid in the taxable year for dairy farm
9 modernization or expansion related to the operation of the claimant's dairy farm.

10 **SECTION 12.** 71.28 (3n) (d) of the statutes is amended to read:

11 71.28 **(3n)** (d) The aggregate amount of credits that a claimant may claim
12 under this subsection is ~~\$50,000~~ \$75,000.

13 **SECTION 13.** 71.28 (3n) (e) 1. of the statutes is amended to read:

14 71.28 **(3n)** (e) 1. Partnerships, limited liability companies, and tax-option
15 corporations may not claim the credit under this subsection, but the eligibility for,
16 and the amount of, the credit are based on their payment of expenses under par. (b),
17 except that the aggregate amount of credits that the entity may compute shall not
18 exceed ~~\$50,000~~ \$75,000. A partnership, limited liability company, or tax-option
19 corporation shall compute the amount of credit that each of its partners, members,
20 or shareholders may claim and shall provide that information to each of them.
21 Partners, members of limited liability companies, and shareholders of tax-option
22 corporations may claim the credit in proportion to their ownership interest.

23 **SECTION 14.** 71.28 (3n) (e) 2. of the statutes is amended to read:

24 71.28 **(3n)** (e) 2. If 2 or more persons own and operate the dairy or livestock
25 farm, each person may claim a credit under par. (b) in proportion to his or her

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1 ownership interest, except that the aggregate amount of the credits claimed by all
2 persons who own and operate the farm shall not exceed ~~\$50,000~~ \$75,000.

3 **SECTION 15.** 71.47 (3n) (a) 2. (intro.) of the statutes is amended to read:

4 71.47 (3n) (a) 2. (intro.) “Dairy farm modernization or expansion” means the
5 construction, the improvement, or the acquisition of buildings or facilities, or the
6 acquisition of equipment, for dairy animal housing, confinement, animal feeding,
7 milk production, or waste management, including the following, if used exclusively
8 related to dairy animals and if acquired and placed in service in this state during
9 taxable years that begin after December 31, 2003, and before January 1, ~~2010~~ 2012:

10 **SECTION 16.** 71.47 (3n) (a) 6. b. of the statutes is amended to read:

11 71.47 (3n) (a) 6. b. For taxable years that begin after December 31, 2005, and
12 before January 1, ~~2010~~ 2012, “used exclusively,” related to livestock, dairy animals,
13 or both, means used to the exclusion of all other uses except for use not exceeding 5
14 percent of total use.

15 **SECTION 17.** 71.47 (3n) (a) 6. c. of the statutes is repealed.

16 **SECTION 18.** 71.47 (3n) (b) 1. of the statutes is amended to read:

17 71.47 (3n) (b) 1. Subject to the limitations provided in this subsection, for
18 taxable years that begin after December 31, 2003, and before January 1, ~~2010~~ 2012,
19 a claimant may claim as a credit against the tax imposed under s. 71.43 an amount
20 equal to 10% of the amount the claimant paid in the taxable year for dairy farm
21 modernization or expansion related to the operation of the claimant’s dairy farm.

22 **SECTION 19.** 71.47 (3n) (d) of the statutes is amended to read:

23 71.47 (3n) (d) The aggregate amount of credits that a claimant may claim
24 under this subsection is ~~\$50,000~~ \$75,000.

25 **SECTION 20.** 71.47 (3n) (e) 1. of the statutes is amended to read:

