



2015 ASSEMBLY BILL 244

May 27, 2015 – Introduced by Representatives SUBECK, GOYKE, BERCEAU, BOWEN, BROSTOFF, JOHNSON, JORGENSEN, KOLSTE, OHNSTAD, SARGENT, SINICKI, SPREITZER, C. TAYLOR and ZAMARRIPA. Referred to Committee on Ways and Means.

1 **AN ACT to amend** 71.05 (6) (a) 15., 71.21 (4) (a), 71.26 (2) (a) 4., 71.34 (1k) (g) and
2 71.45 (2) (a) 10.; and **to create** 71.07 (5s), 71.10 (4) (cf), 71.28 (5s), 71.30 (3) (cf),
3 71.47 (5s) and 71.49 (1) (cf) of the statutes; **relating to:** an income and franchise
4 tax credit for grocery stores in underserved areas and requiring the exercise of
5 rule-making authority.

Analysis by the Legislative Reference Bureau

This bill creates an income and franchise tax credit for supermarkets that operate in areas of this state where the median household income is not more than 60 percent of the statewide median household income and where the number of supermarkets is less than the average number of supermarkets in other areas of the state. A taxpayer may claim a credit equal to 10 percent of the taxpayer's tax liability from income derived from such supermarkets.

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:

6 **SECTION 1.** 71.05 (6) (a) 15. of the statutes is amended to read:

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1 71.05 (6) (a) 15. Except as provided under s. 71.07 (3p) (c) 5., the amount of the
2 credits computed under s. 71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dm), (2dr), (2ds),
3 (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s), (3t), (3w), (4k), (4n), (5e),
4 (5f), (5h), (5i), (5j), (5k), (5r), (5rm), (5s), (6n), and (8r) and not passed through by a
5 partnership, limited liability company, or tax-option corporation that has added that
6 amount to the partnership's, company's, or tax-option corporation's income under s.
7 71.21 (4) or 71.34 (1k) (g).

8 **SECTION 2.** 71.07 (5s) of the statutes is created to read:

9 71.07 (5s) UNDERSERVED COMMUNITY GROCERY STORE CREDIT. (a) *Definitions.* In
10 this subsection:

11 1. "Claimant" means a person who files a claim under this subsection.

12 2. "Supermarket" means an establishment classified as a supermarket in the
13 North American Industry Classification System, 1997 edition, published by the U.S.
14 office of management and budget, under industry number 445110.

15 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
16 taxable years beginning after December 30, 2015, a claimant may claim as a credit
17 against the tax imposed under s. 71.02, up to the amount of the tax, an amount equal
18 to 10 percent of the claimant's tax liability under this subchapter from income
19 derived from a supermarket in this state if all of the following apply:

20 1. The supermarket is located in a census tract where the median household
21 income is not more than 60 percent of the statewide median household income.

22 2. The supermarket is located in a census tract where the number of
23 supermarkets is less than the average number of supermarkets located in other
24 census tracts in this state.

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1 (c) *Limitations.* 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 tax liability, as described under par.

4 (a). A partnership, limited liability company, or tax-option corporation shall
5 compute the amount of credit that each of its partners, members, or shareholders
6 may claim and shall provide that information to each of them. Partners, members
7 of limited liability companies, and shareholders of tax-option corporations may
8 claim the credit in proportion to their ownership interests.

9 (d) *Administration.* 1. Section 71.28 (4) (e) to (h), as it applies to the credit
10 under section 71.28 (4), applies to the credit under this subsection.

11 2. The department shall promulgate rules to administer this subsection.

12 **SECTION 3.** 71.10 (4) (cf) of the statutes is created to read:

13 71.10 (4) (cf) Underserved community grocery store credit under s. 71.07 (5s).

14 **SECTION 4.** 71.21 (4) (a) of the statutes is amended to read:

15 71.21 (4) (a) The amount of the credits computed by a partnership under s.
16 71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dm), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p),
17 (3q), (3r), (3rm), (3rn), (3s), (3t), (3w), (4k), (4n), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r),
18 (5rm), (5s), (6n), and (8r) and passed through to partners shall be added to the
19 partnership's income.

20 **SECTION 5.** 71.26 (2) (a) 4. of the statutes is amended to read:

21 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dd),
22 (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r),
23 (3rm), (3rn), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (5s), (6n), (8r),
24 and (9s) and not passed through by a partnership, limited liability company, or
25 tax-option corporation that has added that amount to the partnership's, limited

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1 liability company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k)
2 (g).

3 **SECTION 6.** 71.28 (5s) of the statutes is created to read:

4 71.28 (5s) UNDERSERVED COMMUNITY GROCERY STORE CREDIT. (a) *Definitions.* In
5 this subsection:

6 1. "Claimant" means a person who files a claim under this subsection.

7 2. "Supermarket" means an establishment classified as a supermarket in the
8 North American Industry Classification System, 1997 edition, published by the U.S.
9 office of management and budget, under industry number 445110.

10 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
11 taxable years beginning after December 30, 2015, a claimant may claim as a credit
12 against the tax imposed under s. 71.23, up to the amount of the tax, an amount equal
13 to 10 percent of the claimant's tax liability under this subchapter from income
14 derived from a supermarket in this state if all of the following apply:

15 1. The supermarket is located in a census tract where the median household
16 income is not more than 60 percent of the statewide median household income.

17 2. The supermarket is located in a census tract where the number of
18 supermarkets is less than the average number of supermarkets located in other
19 census tracts in this state.

20 (c) *Limitations.* Partnerships, limited liability companies, and tax-option
21 corporations may not claim the credit under this subsection, but the eligibility for,
22 and the amount of, the credit are based on their tax liability, as described under par.

23 (a). A partnership, limited liability company, or tax-option corporation shall
24 compute the amount of credit that each of its partners, members, or shareholders
25 may claim and shall provide that information to each of them. Partners, members

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1 of limited liability companies, and shareholders of tax-option corporations may
2 claim the credit in proportion to their ownership interests.

3 (d) *Administration.* 1. Subsection (4) (e) to (h), as it applies to the credit under
4 sub. (4), applies to the credit under this subsection.

5 2. The department shall promulgate rules to administer this subsection.

6 **SECTION 7.** 71.30 (3) (cf) of the statutes is created to read:

7 71.30 (3) (cf) Underserved community grocery store credit under s. 71.28 (5s).

8 **SECTION 8.** 71.34 (1k) (g) of the statutes is amended to read:

9 71.34 (1k) (g) An addition shall be made for credits computed by a tax-option
10 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy),
11 (3), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3t), (3w), (4), (5), (5e), (5f), (5g), (5h),
12 (5i), (5j), (5k), (5r), (5rm), (~~5s~~), (6n), and (8r) and passed through to shareholders.

13 **SECTION 9.** 71.45 (2) (a) 10. of the statutes is amended to read:

14 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
15 computed under s. 71.47 (1dd) to (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn),
16 (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (~~5s~~), (6n), (8r), and (9s) and not
17 passed through by a partnership, limited liability company, or tax-option
18 corporation that has added that amount to the partnership's, limited liability
19 company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g) and
20 the amount of credit computed under s. 71.47 (1), (3), (3t), (4), (4m), and (5).

21 **SECTION 10.** 71.47 (5s) of the statutes is created to read:

22 71.47 (5s) UNDERSERVED COMMUNITY GROCERY STORE CREDIT. (a) *Definitions.* In
23 this subsection:

24 1. "Claimant" means a person who files a claim under this subsection.

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1 2. “Supermarket” means an establishment classified as a supermarket in the
2 North American Industry Classification System, 1997 edition, published by the U.S.
3 office of management and budget, under industry number 445110.

4 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
5 taxable years beginning after December 30, 2015, a claimant may claim as a credit
6 against the tax imposed under s. 71.43, up to the amount of the tax, an amount equal
7 to 10 percent of the claimant’s tax liability under this subchapter from income
8 derived from a supermarket in this state if all of the following apply:

9 1. The supermarket is located in a census tract where the median household
10 income is not more than 60 percent of the statewide median household income.

11 2. The supermarket is located in a census tract where the number of
12 supermarkets is less than the average number of supermarkets located in other
13 census tracts in this state.

14 (c) *Limitations.* 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 tax liability, as described under par.

17 (a). A partnership, limited liability company, or tax-option corporation shall
18 compute the amount of credit that each of its partners, members, or shareholders
19 may claim and shall provide that information to each of them. Partners, members
20 of limited liability companies, and shareholders of tax-option corporations may
21 claim the credit in proportion to their ownership interests.

22 (d) *Administration.* 1. Section 71.28 (4) (e) to (h), as it applies to the credit
23 under section 71.28 (4), applies to the credit under this subsection.

24 2. The department shall promulgate rules to administer this subsection.

25 **SECTION 11.** 71.49 (1) (cf) of the statutes is created to read:

