



2019 ASSEMBLY BILL 14

February 8, 2019 - Introduced by Representatives ROHRKASTE, GUNDRUM, HORLACHER, KULP, RAMTHUN, RODRIGUEZ and SKOWRONSKI, cosponsored by Senators FEYEN, DARLING and NASS. Referred to Committee on Ways and Means.

1 **AN ACT to amend** 71.05 (6) (a) 15., 71.10 (4) (i), 71.21 (4) (a), 71.26 (2) (a) 4., 71.30
2 (3) (f), 71.34 (1k) (g), 71.45 (2) (a) 10. and 71.49 (1) (f); and **to create** 20.835 (2)
3 (cq), 71.07 (5p), 71.28 (5p) and 71.47 (5p) of the statutes; **relating to:** an income
4 and franchise tax credit for paid interns and making an appropriation.

Analysis by the Legislative Reference Bureau

This bill allows a person to claim an income and franchise tax credit equal to \$2,500 for each intern who performs work in this state for the person and for whom the person provides compensation for performing the work. No person may claim the credit for more than 40 interns in any taxable year. If the amount of the credit exceeds the person's tax liability, the person receives a refund of the excess amount.

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:

5 **SECTION 1.** 20.835 (2) (cq) of the statutes is created to read:
6 20.835 (2) (cq) *Paid intern credit.* A sum sufficient to make the payments under
7 ss. 71.07 (5p), 71.28 (5p), and 71.47 (5p).

ASSEMBLY BILL 14**SECTION 2**

1 **SECTION 2.** 71.05 (6) (a) 15. of the statutes is amended to read:

2 71.05 **(6)** (a) 15. Except as provided under s. 71.07 (3p) (c) 5., the amount of the
3 credits computed under s. 71.07 (2dm), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r),
4 (3rm), (3rn), (3s), (3t), (3w), (3wm), (3y), (4k), (4n), (5e), (5f), (5h), (5i), (5j), (5k), (5p),
5 (5r), (5rm), (6n), (8r), and (10) and not passed through by a partnership, limited
6 liability company, or tax-option corporation that has added that amount to the
7 partnership's, company's, or tax-option corporation's income under s. 71.21 (4) or
8 71.34 (1k) (g).

9 **SECTION 3.** 71.07 (5p) of the statutes is created to read:

10 71.07 **(5p)** PAID INTERN CREDIT. (a) *Definitions.* In this subsection:

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

12 2. "Intern" means a student or trainee who is employed in this state by the
13 claimant for at least 8 weeks, but not more than 52 weeks, not including a migrant
14 worker, as defined in s. 103.90 (5), or an individual employed by a seasonal employer,
15 as defined in s. 108.02 (23), or by a temporary help company, as defined in s. 108.02
16 (24m).

17 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
18 taxable years beginning after December 31, 2018, a claimant may claim as a credit
19 against the tax imposed under s. 71.02 an amount equal to \$2,500 for each intern who
20 performs works in this state for the claimant during the taxable year and for whom
21 the claimant provides compensation to perform such work.

22 (c) *Limitations.* 1. No claimant may claim the credit under this subsection for
23 more than 40 interns in any taxable year.

24 2. Partnerships, limited liability companies, and tax-option corporations may
25 not claim the credit under this subsection, but the eligibility for, and the amount of,

ASSEMBLY BILL 14**SECTION 3**

1 the credit are based on their payment of amounts described under par. (b). A
2 partnership, limited liability company, or tax-option corporation shall compute the
3 amount of credit that each of its partners, members, or shareholders may claim and
4 shall provide that information to each of them. Partners, members of limited liability
5 companies, and shareholders of tax-option corporations may claim the credit in
6 proportion to their ownership interests.

7 (d) *Administration.* 1. Section 71.28 (4) (g) and (h), as it applies to the credit
8 under s. 71.28 (4), applies to the credit under this subsection.

9 2. If the allowable amount of the claim under this subsection exceeds the taxes
10 otherwise due on the claimant's income under s. 71.02, the amount of the claim that
11 is not used to offset those taxes shall be certified by the department of revenue to the
12 department of administration for payment by check, share draft, or other draft
13 drawn from the appropriation under s. 20.835 (2) (cq). Notwithstanding s. 71.82, no
14 interest shall be paid on amounts certified under this subdivision.

15 **SECTION 4.** 71.10 (4) (i) of the statutes is amended to read:

16 71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland
17 preservation credit under ss. 71.57 to 71.61, farmland preservation credit, 2010 and
18 beyond under s. 71.613, homestead credit under subch. VIII, farmland tax relief
19 credit under s. 71.07 (3m), dairy manufacturing facility investment credit under s.
20 71.07 (3p), jobs tax credit under s. 71.07 (3q), meat processing facility investment
21 credit under s. 71.07 (3r), woody biomass harvesting and processing credit under s.
22 71.07 (3rm), food processing plant and food warehouse investment credit under s.
23 71.07 (3rn), business development credit under s. 71.07 (3y), research credit under
24 s. 71.07 (4k) (e) 2. a., film production services credit under s. 71.07 (5f), film
25 production company investment credit under s. 71.07 (5h), paid intern credit under

ASSEMBLY BILL 14**SECTION 4**

1 s. 71.07 (5p), veterans and surviving spouses property tax credit under s. 71.07 (6e),
2 enterprise zone jobs credit under s. 71.07 (3w), electronics and information
3 technology manufacturing zone credit under s. 71.07 (3wm), beginning farmer and
4 farm asset owner tax credit under s. 71.07 (8r), earned income tax credit under s.
5 71.07 (9e), estimated tax payments under s. 71.09, and taxes withheld under subch.
6 X.

7 **SECTION 5.** 71.21 (4) (a) of the statutes is amended to read:

8 71.21 (4) (a) The amount of the credits computed by a partnership under s.
9 71.07 (2dm), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s), (3t), (3w),
10 (3wm), (3y), (4k), (4n), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5p), (5r), (5rm), (6n), (8r),
11 and (10) and passed through to partners shall be added to the partnership's income.

12 **SECTION 6.** 71.26 (2) (a) 4. of the statutes is amended to read:

13 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dm),
14 (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3t), (3w), (3wm), (3y), (5e),
15 (5f), (5g), (5h), (5i), (5j), (5k), (5p), (5r), (5rm), (6n), (8r), (9s), and (10) and not passed
16 through by a partnership, limited liability company, or tax-option corporation that
17 has added that amount to the partnership's, limited liability company's, or
18 tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g).

19 **SECTION 7.** 71.28 (5p) of the statutes is created to read:

20 71.28 (5p) PAID INTERN CREDIT. (a) *Definitions.* In this subsection:

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

22 2. "Intern" means a student or trainee who is employed in this state by the
23 claimant for at least 8 weeks, but not more than 52 weeks, not including a migrant
24 worker, as defined in s. 103.90 (5), or an individual employed by a seasonal employer,

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1 as defined in s. 108.02 (23), or by a temporary help company, as defined in s. 108.02
2 (24m).

3 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
4 taxable years beginning after December 31, 2018, a claimant may claim as a credit
5 against the tax imposed under s. 71.23 an amount equal to \$2,500 for each intern who
6 performs works in this state for the claimant during the taxable year and for whom
7 the claimant provides compensation to perform such work.

8 (c) *Limitations.* 1. No claimant may claim the credit under this subsection for
9 more than 40 interns in any taxable year.

10 2. Partnerships, limited liability companies, and tax-option corporations may
11 not claim the credit under this subsection, but the eligibility for, and the amount of,
12 the credit are based on their payment of amounts described under par. (b). A
13 partnership, limited liability company, or tax-option corporation shall compute the
14 amount of credit that each of its partners, members, or shareholders may claim and
15 shall provide that information to each of them. Partners, members of limited liability
16 companies, and shareholders of tax-option corporations may claim the credit in
17 proportion to their ownership interests.

18 (d) *Administration.* 1. Subsection (4) (g) and (h), as it applies to the credit
19 under sub. (4), applies to the credit under this subsection.

20 2. If the allowable amount of the claim under this subsection exceeds the taxes
21 otherwise due on the claimant's income under s. 71.23, the amount of the claim that
22 is not used to offset those taxes shall be certified by the department of revenue to the
23 department of administration for payment by check, share draft, or other draft
24 drawn from the appropriation under s. 20.835 (2) (cq). Notwithstanding s. 71.82, no
25 interest shall be paid on amounts certified under this subdivision.

ASSEMBLY BILL 14**SECTION 8**

1 **SECTION 8.** 71.30 (3) (f) of the statutes is amended to read:

2 71.30 **(3)** (f) The total of farmland preservation credit under subch. IX,
3 farmland tax relief credit under s. 71.28 (2m), dairy manufacturing facility
4 investment credit under s. 71.28 (3p), jobs credit under s. 71.28 (3q), meat processing
5 facility investment credit under s. 71.28 (3r), woody biomass harvesting and
6 processing credit under s. 71.28 (3rm), food processing plant and food warehouse
7 investment credit under s. 71.28 (3rn), enterprise zone jobs credit under s. 71.28
8 (3w), electronics and information technology manufacturing zone credit under s.
9 71.28 (3wm), business development credit under s. 71.28 (3y), research credit under
10 s. 71.28 (4) (k) 1., film production services credit under s. 71.28 (5f), film production
11 company investment credit under s. 71.28 (5h), paid intern credit under s. 71.28 (5p),
12 beginning farmer and farm asset owner tax credit under s. 71.28 (8r), and estimated
13 tax payments under s. 71.29.

14 **SECTION 9.** 71.34 (1k) (g) of the statutes is amended to read:

15 71.34 **(1k)** (g) An addition shall be made for credits computed by a tax-option
16 corporation under s. 71.28 (1dm), (1dx), (1dy), (3), (3g), (3h), (3n), (3p), (3q), (3r),
17 (3rm), (3rn), (3t), (3w), (3wm), (3y), (4), (5), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5p),
18 (5r), (5rm), (6n), (8r), and (10) and passed through to shareholders.

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

20 71.45 **(2)** (a) 10. By adding to federal taxable income the amount of credit
21 computed under s. 71.47 (1dm) to (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn),
22 (3w), (3y), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5p), (5r), (5rm), (6n), (8r), (9s), and (10)
23 and not passed through by a partnership, limited liability company, or tax-option
24 corporation that has added that amount to the partnership's, limited liability

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1 company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g) and
2 the amount of credit computed under s. 71.47 (1), (3), (3t), (4), (4m), and (5).

3 **SECTION 11.** 71.47 (5p) of the statutes is created to read:

4 71.47 (5p) PAID INTERN CREDIT. (a) *Definitions.* In this subsection:

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

6 2. "Intern" means a student or trainee who is employed in this state by the
7 claimant for at least 8 weeks, but not more than 52 weeks, not including a migrant
8 worker, as defined in s. 103.90 (5), or an individual employed by a seasonal employer,
9 as defined in s. 108.02 (23), or by a temporary help company, as defined in s. 108.02
10 (24m).

11 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
12 taxable years beginning after December 31, 2018, a claimant may claim as a credit
13 against the tax imposed under s. 71.43 an amount equal to \$2,500 for each intern who
14 performs works in this state for the claimant during the taxable year and for whom
15 the claimant provides compensation to perform such work.

16 (c) *Limitations.* 1. No claimant may claim the credit under this subsection for
17 more than 40 interns in any taxable year.

18 2. Partnerships, limited liability companies, and tax-option corporations may
19 not claim the credit under this subsection, but the eligibility for, and the amount of,
20 the credit are based on their payment of amounts described under par. (b). A
21 partnership, limited liability company, or tax-option corporation shall compute the
22 amount of credit that each of its partners, members, or shareholders may claim and
23 shall provide that information to each of them. Partners, members of limited liability
24 companies, and shareholders of tax-option corporations may claim the credit in
25 proportion to their ownership interests.

ASSEMBLY BILL 14**SECTION 11**

1 (d) *Administration.* 1. Section 71.28 (4) (g) and (h), as it applies to the credit
2 under s. 71.28 (4), applies to the credit under this subsection.

3 2. If the allowable amount of the claim under this subsection exceeds the taxes
4 otherwise due on the claimant's income under s. 71.43, the amount of the claim that
5 is not used to offset those taxes shall be certified by the department of revenue to the
6 department of administration for payment by check, share draft, or other draft
7 drawn from the appropriation under s. 20.835 (2) (cq). Notwithstanding s. 71.82, no
8 interest shall be paid on amounts certified under this subdivision.

9 **SECTION 12.** 71.49 (1) (f) of the statutes is amended to read:

10 71.49 (1) (f) The total of farmland preservation credit under subch. IX,
11 farmland tax relief credit under s. 71.47 (2m), dairy manufacturing facility
12 investment credit under s. 71.47 (3p), jobs credit under s. 71.47 (3q), meat processing
13 facility investment credit under s. 71.47 (3r), woody biomass harvesting and
14 processing credit under s. 71.47 (3rm), food processing plant and food warehouse
15 investment credit under s. 71.47 (3rn), enterprise zone jobs credit under s. 71.47
16 (3w), business development credit under s. 71.47 (3y), research credit under s. 71.47
17 (4) (k) 1., film production services credit under s. 71.47 (5f), film production company
18 investment credit under s. 71.47 (5h), paid intern credit under s. 71.47 (5p),
19 beginning farmer and farm asset owner tax credit under s. 71.47 (8r), and estimated
20 tax payments under s. 71.48.

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(END)