



2011 ASSEMBLY BILL 236

August 30, 2011 – Introduced by Representatives KLEEFISCH, SPANBAUER, MURSAU and KNILANS, cosponsored by Senator SCHULTZ. Referred to Committee on Jobs, Economy and Small Business. Referred to Joint Survey Committee on Tax Exemptions.

1 **AN ACT to create** 70.11 (27m) and 70.111 (27) of the statutes; **relating to:**
2 property tax exemptions for certain machinery and tangible personal property
3 used to conduct research.

Analysis by the Legislative Reference Bureau

This bill creates real and personal property tax exemptions for machinery and other tangible personal property used for qualified research by persons engaged primarily in manufacturing or biotechnology in this state.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

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:

4 **SECTION 1.** 70.11 (27m) of the statutes is created to read:
5 70.11 (**27m**) RESEARCH MACHINERY AND EQUIPMENT. (a) In this subsection:
6 1. “Biotechnology” has the meaning given in s. 77.54 (57) (a) 1f.

ASSEMBLY BILL 236**SECTION 1**

- 1 2. "Machinery" has the meaning given in sub. (27) (a) 2.
- 2 3. "Manufacturing" has the meaning given in sub. (27) (a) 3.
- 3 4. "Primarily" means more than 50 percent.
- 4 5. "Qualified research" means qualified research as defined under section 41
- 5 (d) (1) of the Internal Revenue Code, not including embryonic stem cell research.
- 6 6. "Used exclusively" has the meaning given in sub. (27) (a) 8.
- 7 (b) Machinery and equipment, including attachments, parts, and accessories,
- 8 used by persons who are engaged primarily in manufacturing or biotechnology in
- 9 this state and are used exclusively and directly in qualified research.

10 **SECTION 2.** 70.111 (27) of the statutes is created to read:

11 70.111 (27) RESEARCH PROPERTY. (a) In this subsection:

- 12 1. "Biotechnology" has the meaning given in s. 77.54 (57) (a) 1f.
- 13 2. "Manufacturing" has the meaning given in s. 70.11 (27) (a) 3.
- 14 3. "Primarily" means more than 50 percent.
- 15 4. "Qualified research" means qualified research as defined under section 41
- 16 (d) (1) of the Internal Revenue Code, not including embryonic stem cell research.
- 17 5. "Used exclusively" has the meaning given in s. 70.11 (27) (a) 8.
- 18 (b) Tangible personal property used by persons who are engaged primarily in
- 19 manufacturing or biotechnology in this state, if the tangible personal property is
- 20 consumed or destroyed or loses its identity while being used exclusively and directly
- 21 in qualified research.

22 **SECTION 3. Initial applicability.**

- 23 (1) The treatment of sections 70.11 (27m) and 70.111 (27) of the statutes first
- 24 applies to the property tax assessments as of January 1, 2011.

25

(END)