



2013 ASSEMBLY BILL 538

December 6, 2013 - Introduced by Representatives SMITH, BARCA, KAHL, JORGENSEN, HEBL, DOYLE, POPE, JOHNSON, SINICKI, VRUWINK, BERCEAU, WRIGHT, RINGHAND, GOYKE, BIES, KAUFERT, BILLINGS, WACHS and BEWLEY, cosponsored by Senators ERPENBACH, SCHULTZ and LASSA. Referred to Committee on Small Business Development.

1 **AN ACT** *to amend* 71.07 (3q) (b) 1., 71.28 (3q) (b) 1., 71.47 (3q) (b) 1. and 238.16
2 (4) (b) 1. (intro.); and *to create* 71.07 (3q) (a) 3m., 71.07 (3q) (b) 1m., 71.07 (3q)
3 (c) 1m., 71.28 (3q) (a) 3m., 71.28 (3q) (b) 1m., 71.28 (3q) (c) 1m., 71.47 (3q) (a)
4 3m., 71.47 (3q) (b) 1m., 71.47 (3q) (c) 1m., 238.16 (1) (cm), 238.16 (4) (b) 1m. and
5 238.16 (4) (d) of the statutes; **relating to:** modifying the jobs credit to provide
6 an increased credit to small businesses.

Analysis by the Legislative Reference Bureau

Under current law, a person who undertakes certain business activities in this state may claim the jobs tax credit in an amount not to exceed 10 percent of the wages paid to eligible full-time employees in this state. The total amount of the credit may not exceed \$10,000 per eligible employee. Under this bill, a person who operates a small business in this state may claim the jobs tax credit in an amount not to exceed 15 percent of the wages paid to eligible full-time employees in this state. The total amount of the credit may not exceed \$10,000 per eligible employee. Under the bill, a "small business" is defined as a business entity that is independently owned and operated and not dominant in its field, and that employs 25 or fewer eligible employees or that has gross annual sales of less than \$5,000,000.

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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 (3q) (a) 3m. of the statutes is created to read:

2 71.07 (3q) (a) 3m. “Small business” has the meaning given in s. 227.114 (1).

3 **SECTION 2.** 71.07 (3q) (b) 1. of the statutes is amended to read:

4 71.07 (3q) (b) 1. The Except as provided under subd. 1m., the amount of wages
5 that the claimant paid to an eligible employee in the taxable year, not to exceed 10
6 percent of such wages, as determined by the Wisconsin Economic Development
7 Corporation under s. 238.16 or the department of commerce under s. 560.2055, 2009
8 stats.

9 **SECTION 3.** 71.07 (3q) (b) 1m. of the statutes is created to read:

10 71.07 (3q) (b) 1m. For taxable years beginning after December 31, 2013, the
11 amount of wages that the claimant paid in the taxable year to an eligible employee
12 employed at the claimant’s small business, not to exceed 15 percent of such wages,
13 as determined by the Wisconsin Economic Development Corporation under s.
14 238.16.

15 **SECTION 4.** 71.07 (3q) (c) 1m. of the statutes is created to read:

16 71.07 (3q) (c) 1m. A claimant who claims the credit under par. (b) 1m. may not
17 claim the credit under par. (b) 1. for wages paid to the same eligible employee in the
18 same taxable year.

19 **SECTION 5.** 71.28 (3q) (a) 3m. of the statutes is created to read:

20 71.28 (3q) (a) 3m. “Small business” has the meaning given in s. 227.114 (1).

21 **SECTION 6.** 71.28 (3q) (b) 1. of the statutes is amended to read:

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1 71.28 (3q) (b) 1. The Except as provided under subd. 1m., the amount of wages
2 that the claimant paid to an eligible employee in the taxable year, not to exceed 10
3 percent of such wages, as determined under s. 238.16 or s. 560.2055, 2009 stats.

4 **SECTION 7.** 71.28 (3q) (b) 1m. of the statutes is created to read:

5 71.28 (3q) (b) 1m. For taxable years beginning after December 31, 2013, the
6 amount of wages that the claimant paid in the taxable year to an eligible employee
7 employed at the claimant's small business, not to exceed 15 percent of such wages,
8 as determined by the Wisconsin Economic Development Corporation under s.
9 238.16.

10 **SECTION 8.** 71.28 (3q) (c) 1m. of the statutes is created to read:

11 71.28 (3q) (c) 1m. A claimant who claims the credit under par. (b) 1m. may not
12 claim the credit under par. (b) 1. for wages paid to the same eligible employee in the
13 same taxable year.

14 **SECTION 9.** 71.47 (3q) (a) 3m. of the statutes is created to read:

15 71.47 (3q) (a) 3m. "Small business" has the meaning given in s. 227.114 (1).

16 **SECTION 10.** 71.47 (3q) (b) 1. of the statutes is amended to read:

17 71.47 (3q) (b) 1. The Except as provided under subd. 1m., the amount of wages
18 that the claimant paid to an eligible employee in the taxable year, not to exceed 10
19 percent of such wages, as determined under s. 238.16 or s. 560.2055, 2009 stats.

20 **SECTION 11.** 71.47 (3q) (b) 1m. of the statutes is created to read:

21 71.47 (3q) (b) 1m. For taxable years beginning after December 31, 2013, the
22 amount of wages that the claimant paid in the taxable year to an eligible employee
23 employed at the claimant's small business, not to exceed 15 percent of such wages,
24 as determined by the Wisconsin Economic Development Corporation under s.
25 238.16.

ASSEMBLY BILL 538**SECTION 12**

1 **SECTION 12.** 71.47 (3q) (c) 1m. of the statutes is created to read:

2 71.47 (3q) (c) 1m. A claimant who claims the credit under par. (b) 1m. may not
3 claim the credit under par. (b) 1. for wages paid to the same eligible employee in the
4 same taxable year.

5 **SECTION 13.** 238.16 (1) (cm) of the statutes is created to read:

6 238.16 (1) (cm) "Small business" has the meaning given in s. 227.114 (1).

7 **SECTION 14.** 238.16 (4) (b) 1. (intro.) of the statutes, as affected by 2013
8 Wisconsin Act 20, is amended to read:

9 238.16 (4) (b) 1. (intro.) The Except as provided under subd. 1m., the
10 corporation may award to a person certified under sub. (2) tax benefits for each
11 eligible employee in an amount equal to up to 10 percent of the wages paid by the
12 person to that employee or \$10,000, whichever is less, if that employee earned wages
13 in the year for which the tax benefit is claimed equal to one of the following:

14 **SECTION 15.** 238.16 (4) (b) 1m. of the statutes is created to read:

15 238.16 (4) (b) 1m. The corporation may award to a person certified under sub.
16 (2) tax benefits for each eligible employee employed at the person's small business
17 in an amount equal to up to 15 percent of the wages paid by the person to that
18 employee or \$10,000, whichever is less, if that employee earned wages in the year for
19 which the tax benefit is claimed equal to one of the following:

20 a. In a tier I county or municipality, at least the amount determined by
21 multiplying 2,080 by 150 percent of the federal minimum wage.

22 b. In a tier II county or municipality, at least \$30,000.

23 **SECTION 16.** 238.16 (4) (d) of the statutes is created to read:

