



State of Wisconsin
2015 - 2016 LEGISLATURE

LRB-3555/2
KRP&MES:emw

2015 ASSEMBLY BILL 963

March 1, 2016 - Introduced by Representatives GENRICH, BARNES, SARGENT, JOHNSON, KOLSTE, MASON, OHNSTAD, BROSTOFF, SINICKI, ZEPNICK, SHANKLAND, SUBECK, SPREITZER, POPE and BERCEAU, cosponsored by Senators HARRIS DODD and LASSA. 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 (8g), 71.10 (4) (em), 71.28 (8g), 71.30 (3)
3 (am), 71.47 (8g) and 71.49 (1) (am) of the statutes; **relating to:** creating a
4 nonrefundable individual and corporate income and franchise tax credit for
5 costs paid to eliminate exposure to a lead hazard in a dwelling.

Analysis by the Legislative Reference Bureau

This bill creates a nonrefundable individual income tax credit and a corporate income and franchise tax credit for costs paid to eliminate a lead hazard in a dwelling or residential condominium unit in this state (residence).

Under this bill, an owner of a residence may claim a credit for all costs paid, up to \$1,500 per dwelling unit, to permanently eliminate a lead hazard in a residence. A dwelling may contain more than one dwelling unit. To claim the credit, a claimant must meet all of the following conditions:

1. A certified professional must investigate the residence and determine that a lead hazard exists.
2. The lead hazard abatement activities in the residence must be conducted in accordance with rules promulgated by the Department of Health Services (DHS).
3. A certified professional must do one or both of the following: 1) issue a certificate confirming that the residence is free from lead-bearing paint on the date of the inspection; or 2) execute a document certifying that the lead hazard abatement activities permanently eliminated all lead hazards in the residence.

ASSEMBLY BILL 963

At the option of the owner, the owner may, at the same time the owner remediates lead hazards in a residence, also remediate any lead hazards present in the residence's utility service connections and claim a credit for those costs.

The credit is nonrefundable, meaning that it may be claimed only up to the amount of a taxpayer's income or franchise tax liability. If the amount of the credit for which a claimant is eligible exceeds the claimant's tax liability, the claimant may carry forward the excess credit amount for up to the following seven taxable years.

For further information see the *state and local* 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.** 71.05 (6) (a) 15. of the statutes, as affected by 2015 Wisconsin Act
2 55, is amended to read:

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

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

10 71.07 **(8g)** LEAD HAZARD ABATEMENT TAX CREDIT. (a) *Definitions.* In this
11 subsection:

12 1. "Certificate of lead-free status" means a certificate of lead-free status, as
13 defined in s. 254.11 (4g), that is issued in accordance with the rules promulgated by
14 the department of health services under s. 254.179 (1) and has not been revoked by
15 the department of health services.

16 2. "Claimant" means a person who files a claim under this subsection.

ASSEMBLY BILL 963

1 3. “Condominium unit” means a unit, as defined in s. 703.02 (15), that is a
2 dwelling unit.

3 4. “Dwelling” means any structure, all or part of which is designed or used for
4 human habitation and includes a structure owned and occupied by members of a
5 housing cooperative incorporated under ch. 185 or organized under ch. 193. A
6 “dwelling” may contain one or more dwelling units.

7 5. “Dwelling unit” means a structure or that part of a structure that is designed,
8 used, or intended to be used as a home, residence, or sleeping place by one person or
9 by 2 or more persons maintaining a common household, to the exclusion of all others.

10 6. “Extended dwelling” means a dwelling and the dwelling’s utility service
11 connections.

12 7. “First effective” means:

13 a. With respect to a certificate of lead-free status, the date listed on the
14 certificate as the certificate’s effective date.

15 b. With respect to proof of successful abatement, the date on which the
16 document is executed.

17 8. “Lead-bearing paint hazard” has the meaning given in s. 254.11 (8d).

18 9. “Lead hazard” has the meaning given in s. 254.11 (8g).

19 10. “Lead hazard abatement” means lead hazard abatement, as defined in s.
20 254.11 (8j), that is conducted in accordance with the rules promulgated by the
21 department of health services under s. 254.172 (1) by a person certified by the
22 department of health services under s. 254.176 (1).

23 11. “Lead investigation” means a lead investigation, as defined in s. 254.11 (8s),
24 that is conducted in accordance with the rules promulgated by the department of
25 health services under s. 254.167.

ASSEMBLY BILL 963

1 12. “Lead risk assessor” has the meaning given in s. 254.11 (9g).

2 13. “Proof of successful abatement” means a document executed by a certified
3 lead risk assessor or other person certified under s. 254.176 that certifies a finding
4 by the assessor that lead hazard abatement in or on a dwelling, extended dwelling,
5 or condominium unit permanently eliminated all lead hazards in the dwelling,
6 extended dwelling, or condominium unit.

7 14. “Utility service connections” means improvements to real property
8 necessary to connect a dwelling or a structure of a condominium, as defined in s.
9 703.02 (4), to utility services, including heat, light, water, power,
10 telecommunications services, and sewer services.

11 (b) *Filing claims.* Subject to the limitations and conditions provided in this
12 subsection, a claimant may claim as a credit against the tax imposed under s. 71.02,
13 up to the amount of those taxes, an amount equal to the amount the claimant paid
14 in the year to which the claim relates or, if the credit is claimed for a taxable year in
15 which a certificate of lead-free status or proof of successful abatement is first
16 effective, an amount equal to the amount the claimant paid in the year prior to the
17 year to which the claim relates, whichever is later, for lead hazard abatement in or
18 on a dwelling, extended dwelling, or condominium unit in this state owned by the
19 claimant.

20 (c) *Limitations and conditions.* 1. Before commencing lead hazard abatement
21 for which a credit may be claimed under this subsection, a claimant shall have a
22 certified lead risk assessor or other person certified by the department of health
23 services under s. 254.176 conduct a lead investigation of the dwelling, extended
24 dwelling, or condominium unit to which the credit relates and determine that a

ASSEMBLY BILL 963

1 lead-bearing paint hazard or lead hazard exists in or on the dwelling, extended
2 dwelling, or condominium unit.

3 2. A claimant shall submit with the claimant's tax return all of the following
4 that are applicable to the claimant's claim:

5 a. If the lead investigation described under subd. 1. identified the presence of
6 a lead-bearing paint hazard in or on the dwelling or condominium unit, a copy of a
7 certificate of lead-free status issued with respect to the dwelling or condominium
8 unit that has an effective date that is no later than one year after the end of the
9 taxable year in which the claimant paid for the lead hazard abatement for which a
10 credit may be claimed under this subsection.

11 b. If the lead investigation described under subd. 1. identified the presence of
12 a lead hazard other than a lead-bearing paint hazard in or on the dwelling, extended
13 dwelling, or condominium unit, proof of successful abatement issued with respect to
14 the dwelling, extended dwelling, or condominium unit that is executed no later than
15 one year after the end of the taxable year in which the claimant paid for the lead
16 hazard abatement for which a credit may be claimed under this subsection.

17 3. A certificate of lead-free status described under subd. 2. a. that is issued with
18 respect to a dwelling shall cover the entire dwelling.

19 4. Proof of successful abatement described under subd. 2. b. that is issued with
20 respect to a dwelling or extended dwelling shall cover the entire dwelling or extended
21 dwelling.

22 5. To claim a credit under this subsection with respect to a condominium unit,
23 in addition to a copy of the certificate of lead-free status and the proof of successful
24 abatement described under subd. 2., a claimant shall submit with the claimant's tax
25 return a copy of a certificate of lead-free status issued with respect to the

ASSEMBLY BILL 963

1 condominium's common elements, as defined in s. 703.02 (2), except that the
2 certificate need not cover any utility service connections that are common elements.

3 6. Notwithstanding par. (b), if a residential condominium's association, as
4 defined in s. 703.02 (1m), paid for lead hazard abatement in or on the condominium's
5 common elements, as defined in s. 703.02 (2), the association may claim a credit
6 under this subsection even if the association does not own the common elements and
7 even if the common elements do not constitute a dwelling or extended dwelling, or,
8 at the option of the association, the condominium's unit owners, as defined in s.
9 703.02 (17), may claim the credit in proportion to their percentage interests in the
10 common elements, as determined under s. 703.13. If the association elects to allow
11 the unit owners to claim the credit, the association shall compute the amount of the
12 credit that each of the unit owners may claim and shall provide that information to
13 each of them.

14 7. A claimant may only claim a credit under this subsection within the time
15 period specified under s. 71.75 (2).

16 8. The maximum aggregate amount that one or more claimants may claim
17 under this subsection and ss. 71.28 (8g) and 71.47 (8g) with respect to a particular
18 dwelling, extended dwelling, or condominium unit is \$1,500 per dwelling, extended
19 dwelling, or condominium unit, except that, if the dwelling or extended dwelling
20 contains more than one dwelling unit, the maximum aggregate amount is \$1,500 per
21 dwelling unit.

22 9. Part-year residents and nonresidents of this state are not eligible for the
23 credit under this subsection.

24 10. 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 963

1 the credit are based on their payment of amounts described under par. (b), except
2 that for each dwelling, extended dwelling, or condominium unit owned by the entity
3 the aggregate amount of credits that the entity may compute may not exceed the
4 limitation under subd. 8. A partnership, limited liability company, or tax-option
5 corporation shall compute the amount of the credit that each of its partners,
6 members, or shareholders may claim and shall provide that information to each of
7 them. Partners, members of limited liability companies, and shareholders of
8 tax-option corporations may claim the credit in proportion to their ownership
9 interests.

10 11. Housing cooperatives incorporated under ch. 185 or organized under ch. 193
11 may not claim the credit under this subsection, but the eligibility for, and the amount
12 of, the credit are based on their payment of amounts described under par. (b), except
13 that for each dwelling, extended dwelling, or condominium unit owned by the entity
14 the aggregate amount of credits that the entity may compute may not exceed the
15 limitation under subd. 8. A housing cooperative shall compute the amount of the
16 credit that each of its members may claim and shall provide that information to each
17 of them. Members may claim the credit in proportion to their ownership interests.

18 12. If 2 or more persons own a dwelling, extended dwelling, or condominium
19 unit, each person may claim a credit under par. (b) in proportion to the person's
20 ownership interest, except that the aggregate amount of the credits claimed by all
21 persons who own the dwelling, extended dwelling, or condominium unit may not
22 exceed the limitation under subd. 8.

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

ASSEMBLY BILL 963

1 2. If a credit computed under this subsection is not entirely offset against taxes
2 otherwise due, the unused balance may be carried forward and credited against
3 taxes otherwise due for the following 7 taxable years to the extent not offset by taxes
4 otherwise due in all intervening years between the year in which the expense was
5 incurred and the year in which the carry-forward credit is claimed.

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

7 71.10 (4) (em) Lead hazard abatement tax credit under s. 71.07 (8g).

8 **SECTION 4.** 71.21 (4) (a) of the statutes, as affected by 2015 Wisconsin Act 55,
9 is amended to read:

10 71.21 (4) (a) The amount of the credits computed by a partnership under s.
11 71.07 (2dm), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s), (3t), (3w),
12 (3y), (4k), (4n), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), ~~(8g)~~, and (8r) and
13 passed through to partners shall be added to the partnership's income.

14 **SECTION 5.** 71.26 (2) (a) 4. of the statutes, as affected by 2015 Wisconsin Act 55,
15 is amended to read:

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

22 **SECTION 6.** 71.28 (8g) of the statutes is created to read:

23 71.28 (8g) LEAD HAZARD ABATEMENT TAX CREDIT. (a) *Definitions.* In this
24 subsection:

ASSEMBLY BILL 963

1 1. “Certificate of lead-free status” means a certificate of lead-free status, as
2 defined in s. 254.11 (4g), that is issued in accordance with the rules promulgated by
3 the department of health services under s. 254.179 (1) and has not been revoked by
4 the department of health services.

5 2. “Claimant” means a person who files a claim under this subsection.

6 3. “Condominium unit” means a unit, as defined in s. 703.02 (15), that is a
7 dwelling unit.

8 4. “Dwelling” means any structure, all or part of which is designed or used for
9 human habitation and includes a structure owned and occupied by members of a
10 housing cooperative incorporated under ch. 185 or organized under ch. 193. A
11 “dwelling” may contain one or more dwelling units.

12 5. “Dwelling unit” means a structure or that part of a structure that is designed,
13 used, or intended to be used as a home, residence, or sleeping place by one person or
14 by 2 or more persons maintaining a common household, to the exclusion of all others.

15 6. “Extended dwelling” means a dwelling and the dwelling’s utility service
16 connections.

17 7. “First effective” means:

18 a. With respect to a certificate of lead-free status, the date listed on the
19 certificate as the certificate’s effective date.

20 b. With respect to proof of successful abatement, the date on which the
21 document is executed.

22 8. “Lead-bearing paint hazard” has the meaning given in s. 254.11 (8d).

23 9. “Lead hazard” has the meaning given in s. 254.11 (8g).

24 10. “Lead hazard abatement” means lead hazard abatement, as defined in s.
25 254.11 (8j), that is conducted in accordance with the rules promulgated by the

ASSEMBLY BILL 963**SECTION 6**

1 department of health services under s. 254.172 (1) by a person certified by the
2 department of health services under s. 254.176 (1).

3 11. "Lead investigation" means a lead investigation, as defined in s. 254.11 (8s),
4 that is conducted in accordance with the rules promulgated by the department of
5 health services under s. 254.167.

6 12. "Lead risk assessor" has the meaning given in s. 254.11 (9g).

7 13. "Proof of successful abatement" means a document executed by a certified
8 lead risk assessor or other person certified under s. 254.176 that certifies a finding
9 by the assessor that lead hazard abatement in or on a dwelling, extended dwelling,
10 or condominium unit permanently eliminated all lead hazards in the dwelling,
11 extended dwelling, or condominium unit.

12 14. "Utility service connections" means improvements to real property
13 necessary to connect a dwelling or a structure of a condominium, as defined in s.
14 703.02 (4), to utility services, including heat, light, water, power,
15 telecommunications services, and sewer services.

16 (b) *Filing claims.* Subject to the limitations and conditions provided in this
17 subsection, a claimant may claim as a credit against the tax imposed under s. 71.23,
18 up to the amount of those taxes, an amount equal to the amount the claimant paid
19 in the year to which the claim relates or, if the credit is claimed for a taxable year in
20 which a certificate of lead-free status or proof of successful abatement is first
21 effective, an amount equal to the amount the claimant paid in the year prior to the
22 year to which the claim relates, whichever is later, for lead hazard abatement in or
23 on a dwelling, extended dwelling, or condominium unit in this state owned by the
24 claimant.

ASSEMBLY BILL 963

1 (c) *Limitations and conditions.* 1. Before commencing lead hazard abatement
2 for which a credit may be claimed under this subsection, a claimant shall have a
3 certified lead risk assessor or other person certified by the department of health
4 services under s. 254.176 conduct a lead investigation of the dwelling, extended
5 dwelling, or condominium unit to which the credit relates and determine that a
6 lead-bearing paint hazard or lead hazard exists in or on the dwelling, extended
7 dwelling, or condominium unit.

8 2. A claimant shall submit with the claimant's tax return all of the following
9 that are applicable to the claimant's claim:

10 a. If the lead investigation described under subd. 1. identified the presence of
11 a lead-bearing paint hazard in or on the dwelling or condominium unit, a copy of a
12 certificate of lead-free status issued with respect to the dwelling or condominium
13 unit that has an effective date that is no later than one year after the end of the
14 taxable year in which the claimant paid for the lead hazard abatement for which a
15 credit may be claimed under this subsection.

16 b. If the lead investigation described under subd. 1. identified the presence of
17 a lead hazard other than a lead-bearing paint hazard in or on the dwelling, extended
18 dwelling, or condominium unit, proof of successful abatement issued with respect to
19 the dwelling, extended dwelling, or condominium unit that is executed no later than
20 one year after the end of the taxable year in which the claimant paid for the lead
21 hazard abatement for which a credit may be claimed under this subsection.

22 3. A certificate of lead-free status described under subd. 2. a. that is issued with
23 respect to a dwelling shall cover the entire dwelling.

ASSEMBLY BILL 963**SECTION 6**

1 4. Proof of successful abatement described under subd. 2. b. that is issued with
2 respect to a dwelling or extended dwelling shall cover the entire dwelling or extended
3 dwelling.

4 5. To claim a credit under this subsection with respect to a condominium unit,
5 in addition to a copy of the certificate of lead-free status and the proof of successful
6 abatement described under subd. 2., a claimant shall submit with the claimant's tax
7 return a copy of a certificate of lead-free status issued with respect to the
8 condominium's common elements, as defined in s. 703.02 (2), except that the
9 certificate need not cover any utility service connections that are common elements.

10 6. Notwithstanding par. (b), if a residential condominium's association, as
11 defined in s. 703.02 (1m), paid for lead hazard abatement in or on the condominium's
12 common elements, as defined in s. 703.02 (2), the association may claim a credit
13 under this subsection even if the association does not own the common elements and
14 even if the common elements do not constitute a dwelling or extended dwelling or,
15 at the option of the association, the condominium's unit owners, as defined in s.
16 703.02 (17), may claim the credit in proportion to their percentage interests in the
17 common elements, as determined under s. 703.13. If the association elects to allow
18 the unit owners to claim the credit, the association shall compute the amount of the
19 credit that each of the unit owners may claim and shall provide that information to
20 each of them.

21 7. A claimant may only claim a credit under this subsection within the time
22 period specified under s. 71.75 (2).

23 8. The maximum aggregate amount that one or more claimants may claim
24 under this subsection and ss. 71.07 (8g) and 71.47 (8g) with respect to a particular
25 dwelling, extended dwelling, or condominium unit is \$1,500 per dwelling, extended

ASSEMBLY BILL 963

1 dwelling, or condominium unit, except that, if the dwelling or extended dwelling
2 contains more than one dwelling unit, the maximum aggregate amount is \$1,500 per
3 dwelling unit.

4 9. Partnerships, limited liability companies, and tax-option corporations may
5 not claim the credit under this subsection, but the eligibility for, and the amount of,
6 the credit are based on their payment of amounts described under par. (b), except
7 that for each dwelling, extended dwelling, or condominium unit owned by the entity
8 the aggregate amount of credits that the entity may compute may not exceed the
9 limitation under subd. 8. A partnership, limited liability company, or tax-option
10 corporation shall compute the amount of the credit that each of its partners,
11 members, or shareholders may claim and shall provide that information to each of
12 them. Partners, members of limited liability companies, and shareholders of
13 tax-option corporations may claim the credit in proportion to their ownership
14 interests.

15 10. Housing cooperatives incorporated under ch. 185 or organized under ch.
16 193 may not claim the credit under this subsection, but the eligibility for, and the
17 amount of, the credit are based on their payment of amounts described under par.
18 (b), except that for each dwelling, extended dwelling, or condominium unit owned by
19 the entity the aggregate amount of credits that the entity may compute may not
20 exceed the limitation under subd. 8. A housing cooperative shall compute the
21 amount of the credit that each of its members may claim and shall provide that
22 information to each of them. Members may claim the credit in proportion to their
23 ownership interests.

24 11. If 2 or more persons own a dwelling, extended dwelling, or condominium
25 unit, each person may claim a credit under par. (b) in proportion to the person's

ASSEMBLY BILL 963**SECTION 6**

1 ownership interest, except that the aggregate amount of the credits claimed by all
2 persons who own the dwelling, extended dwelling, or condominium unit may not
3 exceed the limitation under subd. 8.

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

6 2. If a credit computed under this subsection is not entirely offset against taxes
7 otherwise due, the unused balance may be carried forward and credited against
8 taxes otherwise due for the following 7 taxable years to the extent not offset by taxes
9 otherwise due in all intervening years between the year in which the expense was
10 incurred and the year in which the carry-forward credit is claimed.

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

12 71.30 (3) (am) Lead hazard abatement tax credit under s. 71.28 (8g).

13 **SECTION 8.** 71.34 (1k) (g) of the statutes, as affected by 2015 Wisconsin Act 55,
14 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), (3y), (4), (5), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n),
18 (8g), and (8r) and passed through to shareholders.

19 **SECTION 9.** 71.45 (2) (a) 10. of the statutes, as affected by Wisconsin Act 55, is
20 amended to read:

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

ASSEMBLY BILL 963

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 10.** 71.47 (8g) of the statutes is created to read:

4 71.47 (8g) LEAD HAZARD ABATEMENT TAX CREDIT. (a) *Definitions.* In this
5 subsection:

6 1. "Certificate of lead-free status" means a certificate of lead-free status, as
7 defined in s. 254.11 (4g), that is issued in accordance with the rules promulgated by
8 the department of health services under s. 254.179 (1) and has not been revoked by
9 the department of health services.

10 2. "Claimant" means a person who files a claim under this subsection.

11 3. "Condominium unit" means a unit, as defined in s. 703.02 (15), that is a
12 dwelling unit.

13 4. "Dwelling" means any structure, all or part of which is designed or used for
14 human habitation and includes a structure owned and occupied by members of a
15 housing cooperative incorporated under ch. 185 or organized under ch. 193. A
16 "dwelling" may contain one or more dwelling units.

17 5. "Dwelling unit" means a structure or that part of a structure that is designed,
18 used, or intended to be used as a home, residence, or sleeping place by one person or
19 by 2 or more persons maintaining a common household, to the exclusion of all others.

20 6. "Extended dwelling" means a dwelling and the dwelling's utility service
21 connections.

22 7. "First effective" means:

23 a. With respect to a certificate of lead-free status, the date listed on the
24 certificate as the certificate's effective date.

ASSEMBLY BILL 963**SECTION 10**

1 b. With respect to proof of successful abatement, the date on which the
2 document is executed.

3 8. “Lead-bearing paint hazard” has the meaning given in s. 254.11 (8d).

4 9. “Lead hazard” has the meaning given in s. 254.11 (8g).

5 10. “Lead hazard abatement” means lead hazard abatement, as defined in s.
6 254.11 (8j), that is conducted in accordance with the rules promulgated by the
7 department of health services under s. 254.172 (1) by a person certified by the
8 department of health services under s. 254.176 (1).

9 11. “Lead investigation” means a lead investigation, as defined in s. 254.11 (8s),
10 that is conducted in accordance with the rules promulgated by the department of
11 health services under s. 254.167.

12 12. “Lead risk assessor” has the meaning given in s. 254.11 (9g).

13 13. “Proof of successful abatement” means a document executed by a certified
14 lead risk assessor or other person certified under s. 254.176 that certifies a finding
15 by the assessor that lead hazard abatement in or on a dwelling, extended dwelling,
16 or condominium unit permanently eliminated all lead hazards in the dwelling,
17 extended dwelling, or condominium unit.

18 14. “Utility service connections” means improvements to real property
19 necessary to connect a dwelling or a structure of a condominium, as defined in s.
20 703.02 (4), to utility services, including heat, light, water, power,
21 telecommunications services, and sewer services.

22 (b) *Filing claims.* Subject to the limitations and conditions provided in this
23 subsection, a claimant may claim as a credit against the tax imposed under s. 71.43,
24 up to the amount of those taxes, an amount equal to the amount the claimant paid
25 in the year to which the claim relates or, if the credit is claimed for a taxable year in

ASSEMBLY BILL 963

1 which a certificate of lead-free status or proof of successful abatement is first
2 effective, an amount equal to the amount the claimant paid in the year prior to the
3 year to which the claim relates, whichever is later, for lead hazard abatement in or
4 on a dwelling, extended dwelling, or condominium unit in this state owned by the
5 claimant.

6 (c) *Limitations and conditions.* 1. Before commencing lead hazard abatement
7 for which a credit may be claimed under this subsection, a claimant shall have a
8 certified lead risk assessor or other person certified by the department of health
9 services under s. 254.176 conduct a lead investigation of the dwelling, extended
10 dwelling, or condominium unit to which the credit relates and determine that a
11 lead-bearing paint hazard or lead hazard exists in or on the dwelling, extended
12 dwelling, or condominium unit.

13 2. A claimant shall submit with the claimant's tax return all of the following
14 that are applicable to the claimant's claim:

15 a. If the lead investigation described under subd. 1. identified the presence of
16 a lead-bearing paint hazard in or on the dwelling or condominium unit, a copy of a
17 certificate of lead-free status issued with respect to the dwelling or condominium
18 unit that has an effective date that is no later than one year after the end of the
19 taxable year in which the claimant paid for the lead hazard abatement for which a
20 credit may be claimed under this subsection.

21 b. If the lead investigation described under subd. 1. identified the presence of
22 a lead hazard other than a lead-bearing paint hazard in or on the dwelling, extended
23 dwelling, or condominium unit, proof of successful abatement issued with respect to
24 the dwelling, extended dwelling, or condominium unit that is executed no later than

ASSEMBLY BILL 963**SECTION 10**

1 one year after the end of the taxable year in which the claimant paid for the lead
2 hazard abatement for which a credit may be claimed under this subsection.

3 3. A certificate of lead-free status described under subd. 2. a. that is issued with
4 respect to a dwelling shall cover the entire dwelling.

5 4. Proof of successful abatement described under subd. 2. b. that is issued with
6 respect to a dwelling or extended dwelling shall cover the entire dwelling or extended
7 dwelling.

8 5. To claim a credit under this subsection with respect to a condominium unit,
9 in addition to a copy of the certificate of lead-free status and the proof of successful
10 abatement described under subd. 2., a claimant shall submit with the claimant's tax
11 return a copy of a certificate of lead-free status issued with respect to the
12 condominium's common elements, as defined in s. 703.02 (2), except that the
13 certificate need not cover any utility service connections that are common elements.

14 6. Notwithstanding par. (b), if a residential condominium's association, as
15 defined in s. 703.02 (1m), paid for lead hazard abatement in or on the condominium's
16 common elements, as defined in s. 703.02 (2), the association may claim a credit
17 under this subsection even if the association does not own the common elements and
18 even if the common elements do not constitute a dwelling or extended dwelling or,
19 at the option of the association, the condominium's unit owners, as defined in s.
20 703.02 (17), may claim the credit in proportion to their percentage interests in the
21 common elements, as determined under s. 703.13. If the association elects to allow
22 the unit owners to claim the credit, the association shall compute the amount of the
23 credit that each of the unit owners may claim and shall provide that information to
24 each of them.

ASSEMBLY BILL 963

1 7. A claimant may only claim a credit under this subsection within the time
2 period specified under s. 71.75 (2).

3 8. The maximum aggregate amount that one or more claimants may claim
4 under this subsection and ss. 71.07 (8g) and 71.28 (8g) with respect to a particular
5 dwelling, extended dwelling, or condominium unit is \$1,500 per dwelling, extended
6 dwelling, or condominium unit, except that, if the dwelling or extended dwelling
7 contains more than one dwelling unit, the maximum aggregate amount is \$1,500 per
8 dwelling unit.

9 9. Partnerships, limited liability companies, and tax-option corporations may
10 not claim the credit under this subsection, but the eligibility for, and the amount of,
11 the credit are based on their payment of amounts described under par. (b), except
12 that for each dwelling, extended dwelling, or condominium unit owned by the entity
13 the aggregate amount of credits that the entity may compute may not exceed the
14 limitation under subd. 8. A partnership, limited liability company, or tax-option
15 corporation shall compute the amount of the credit that each of its partners,
16 members, or shareholders may claim and shall provide that information to each of
17 them. Partners, members of limited liability companies, and shareholders of
18 tax-option corporations may claim the credit in proportion to their ownership
19 interests.

20 10. Housing cooperatives incorporated under ch. 185 or organized under ch.
21 193 may not claim the credit under this subsection, but the eligibility for, and the
22 amount of, the credit are based on their payment of amounts described under par.
23 (b), except that for each dwelling, extended dwelling, or condominium unit owned by
24 the entity the aggregate amount of credits that the entity may compute may not
25 exceed the limitation under subd. 8. A housing cooperative shall compute the

ASSEMBLY BILL 963**SECTION 10**

1 amount of the credit that each of its members may claim and shall provide that
2 information to each of them. Members may claim the credit in proportion to their
3 ownership interests.

4 11. If 2 or more persons own a dwelling, extended dwelling, or condominium
5 unit, each person may claim a credit under par. (b) in proportion to the person's
6 ownership interest, except that the aggregate amount of the credits claimed by all
7 persons who own the dwelling, extended dwelling, or condominium unit may not
8 exceed the limitation under subd. 8.

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

11 2. If a credit computed under this subsection is not entirely offset against taxes
12 otherwise due, the unused balance may be carried forward and credited against
13 taxes otherwise due for the following 7 taxable years to the extent not offset by taxes
14 otherwise due in all intervening years between the year in which the expense was
15 incurred and the year in which the carry-forward credit is claimed.

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

17 71.49 (1) (am) Lead hazard abatement tax credit under s. 71.47 (8g).

18 **SECTION 12. Initial applicability.**

19 (1) This act first applies to taxable years beginning on January 1 of the year
20 in which this subsection takes effect, except that if this subsection takes effect after
21 July 31, this act first applies to taxable years beginning on January 1 of the year
22 following the year in which this subsection takes effect.

23

(END)