



State of Wisconsin
2015 - 2016 LEGISLATURE

LRB-1460/1
JK:wlj:jf

2015 SENATE BILL 111

April 8, 2015 – Introduced by Senators LASSA, C. LARSON, RINGHAND, HARRIS DODD, WIRCH and CARPENTER, cosponsored by Representatives BARCA, STUCK, SPREITZER, HEBL, ZAMARRIPA, POPE, JORGENSEN, MILROY, HINTZ, SINICKI, WACHS, OHNSTAD, BERCEAU, SUBECK, CONSIDINE, KAHL, KOLSTE, SARGENT, C. TAYLOR, GOYKE, JOHNSON, BARNES, MEYERS, YOUNG, DOYLE and BOWEN. Referred to Committee on Economic Development and Commerce.

AUTHORS SUBJECT TO CHANGE

1 **AN ACT** *to amend* 71.07 (5b) (d) 1., 71.07 (5d) (b) 2., 71.07 (5d) (d) 2., 71.10 (4)
2 (gwb), 71.10 (4) (gx), 71.10 (4) (i), 71.28 (5b) (d) 1., 71.30 (3) (eop), 71.30 (3) (f),
3 71.47 (5b) (d) 1., 71.49 (1) (eop) and 71.49 (1) (f); and **to create** 20.835 (2) (ba),
4 71.07 (5b) (d) 1m., 71.07 (5b) (d) 4., 71.07 (5d) (b) 3., 71.07 (5d) (d) 2m., 71.07 (5d)
5 (d) 5., 71.28 (5b) (d) 1m., 71.28 (5b) (d) 4., 71.47 (5b) (d) 1m. and 71.47 (5b) (d)
6 4. of the statutes; **relating to:** allowing refunds for the early stage seed and
7 angel investment tax credits and making an appropriation.

Analysis by the Legislative Reference Bureau

Under current law, a taxpayer may claim early stage seed and angel investment income and franchise tax credits for the taxpayer's investments in qualified new businesses. If the credit amounts exceed the taxpayer's tax liability, the taxpayer does not receive a refund, but, instead, may apply the amount of the unused credits to subsequent taxable years. Under this bill, if the credit amounts exceed the taxpayer's tax liability, the taxpayer receives a refund.

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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.** 20.835 (2) (ba) of the statutes is created to read:

2 20.835 (2) (ba) *Early stage seed and angel investment credits.* A sum sufficient
3 to make the payments under ss. 71.07 (5b) (d) 4. and (5d) (d) 5., 71.28 (5b) (d) 4., and
4 71.47 (5b) (d) 4.

5 **SECTION 2.** 71.07 (5b) (d) 1. of the statutes is amended to read:

6 71.07 (5b) (d) 1. ~~Section~~ For taxable years beginning before January 1, 2015,
7 s. 71.28 (4) (e) to (h), as it applies to the credit under s. 71.28 (4), applies to the credit
8 under this subsection.

9 **SECTION 3.** 71.07 (5b) (d) 1m. of the statutes is created to read:

10 71.07 (5b) (d) 1m. For taxable years beginning after December 31, 2014, s.
11 71.28 (4) (e), (g), and (h), as it applies to the credit under s. 71.28 (4), applies to the
12 credit under this subsection.

13 **SECTION 4.** 71.07 (5b) (d) 4. of the statutes is created to read:

14 71.07 (5b) (d) 4. For taxable years beginning after December 31, 2014, if the
15 allowable amount of the claim under par. (b) exceeds the tax otherwise due under s.
16 71.02 or 71.08, the amount of the claim not used to offset the tax due shall be certified
17 by the department of revenue to the department of administration for payment by
18 check, share draft, or other draft drawn from the appropriation account under s.
19 20.835 (2) (ba).

20 **SECTION 5.** 71.07 (5d) (b) 2. of the statutes is amended to read:

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1 71.07 (5d) (b) 2. For taxable years beginning after December 31, 2007, and
2 before January 1, 2015, for the taxable year certified by the department of commerce
3 or the Wisconsin Economic Development Corporation, an amount equal to 25 percent
4 of the claimant's bona fide angel investment made directly in a qualified new
5 business venture.

6 **SECTION 6.** 71.07 (5d) (b) 3. of the statutes is created to read:

7 71.07 (5d) (b) 3. For taxable years beginning after December 31, 2014, for the
8 taxable year certified by the Wisconsin Economic Development Corporation, an
9 amount equal to 25 percent of the claimant's bona fide angel investment made
10 directly in a qualified new business venture.

11 **SECTION 7.** 71.07 (5d) (d) 2. of the statutes is amended to read:

12 71.07 (5d) (d) 2. Section For taxable years beginning before January 1, 2015,
13 s. 71.28 (4) (e) to (h), as it applies to the credit under s. 71.28 (4), applies to the credit
14 under this subsection.

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

16 71.07 (5d) (d) 2m. For taxable years beginning after December 31, 2014, s.
17 71.28 (4) (e), (g), and (h), as it applies to the credit under s. 71.28 (4), applies to the
18 credit under this subsection.

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

20 71.07 (5d) (d) 5. For taxable years beginning after December 31, 2014, if the
21 allowable amount of the claim under par. (b) exceeds the tax otherwise due under s.
22 71.02 or 71.08, the amount of the claim not used to offset the tax due shall be certified
23 by the department of revenue to the department of administration for payment by
24 check, share draft, or other draft drawn from the appropriation account under s.
25 20.835 (2) (ba).

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1 **SECTION 10.** 71.10 (4) (gwb) of the statutes is amended to read:

2 71.10 (4) (gwb) Early stage seed investment credit under s. 71.07 (5b), except
3 as provided under par. (i).

4 **SECTION 11.** 71.10 (4) (gxx) of the statutes is amended to read:

5 71.10 (4) (gxx) Angel investment credit under s. 71.07 (5d), except as provided
6 under par. (i).

7 **SECTION 12.** 71.10 (4) (i) of the statutes is amended to read:

8 71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland
9 preservation credit under ss. 71.57 to 71.61, farmland preservation credit, 2010 and
10 beyond under s. 71.613, homestead credit under subch. VIII, farmland tax relief
11 credit under s. 71.07 (3m), dairy manufacturing facility investment credit under s.
12 71.07 (3p), jobs tax credit under s. 71.07 (3q), meat processing facility investment
13 credit under s. 71.07 (3r), woody biomass harvesting and processing credit under s.
14 71.07 (3rm), food processing plant and food warehouse investment credit under s.
15 71.07 (3rn), early stage seed investment credit under s. 71.07 (5b) (d) 4., angel
16 investment credit under s. 71.07 (5d) (d) 5., film production services credit under s.
17 71.07 (5f), film production company investment credit under s. 71.07 (5h), veterans
18 and surviving spouses property tax credit under s. 71.07 (6e), enterprise zone jobs
19 credit under s. 71.07 (3w), beginning farmer and farm asset owner tax credit under
20 s. 71.07 (8r), earned income tax credit under s. 71.07 (9e), estimated tax payments
21 under s. 71.09, and taxes withheld under subch. X.

22 **SECTION 13.** 71.28 (5b) (d) 1. of the statutes is amended to read:

23 71.28 (5b) (d) 1. ~~Subsection~~ For taxable years beginning before January 1,
24 2015, sub. (4) (e) to (h), as it applies to the credit under sub. (4), applies to the credit
25 under this subsection.

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1 **SECTION 14.** 71.28 (5b) (d) 1m. of the statutes is created to read:

2 71.28 **(5b)** (d) 1m. For taxable years beginning after December 31, 2014, sub.
3 (4) (e), (g), and (h), as it applies to the credit under sub. (4), applies to the credit under
4 this subsection.

5 **SECTION 15.** 71.28 (5b) (d) 4. of the statutes is created to read:

6 71.28 **(5b)** (d) 4. For taxable years beginning after December 31, 2014, if the
7 allowable amount of the claim under par. (b) exceeds the tax otherwise due under s.
8 71.23, the amount of the claim not used to offset the tax due shall be certified by the
9 department of revenue to the department of administration for payment by check,
10 share draft, or other draft drawn from the appropriation account under s. 20.835 (2)
11 (ba).

12 **SECTION 16.** 71.30 (3) (eop) of the statutes is amended to read:

13 71.30 **(3)** (eop) Early stage seed investment credit under s. 71.28 (5b), except
14 as provided under par. (f).

15 **SECTION 17.** 71.30 (3) (f) of the statutes is amended to read:

16 71.30 **(3)** (f) The total of farmland preservation credit under subch. IX,
17 farmland tax relief credit under s. 71.28 (2m), dairy manufacturing facility
18 investment credit under s. 71.28 (3p), jobs credit under s. 71.28 (3q), meat processing
19 facility investment credit under s. 71.28 (3r), woody biomass harvesting and
20 processing credit under s. 71.28 (3rm), food processing plant and food warehouse
21 investment credit under s. 71.28 (3rn), enterprise zone jobs credit under s. 71.28
22 (3w), early stage seed investment credit under s. 71.28 (5b) (d) 4., film production
23 services credit under s. 71.28 (5f), film production company investment credit under
24 s. 71.28 (5h), beginning farmer and farm asset owner tax credit under s. 71.28 (8r),
25 and estimated tax payments under s. 71.29.

SENATE BILL 111**SECTION 18**

1 **SECTION 18.** 71.47 (5b) (d) 1. of the statutes is amended to read:

2 71.47 **(5b)** (d) 1. ~~Section~~ For taxable years beginning before January 1, 2015,
3 s. 71.28 (4) (e) to (h), as it applies to the credit under s. 71.28 (4), applies to the credit
4 under this subsection.

5 **SECTION 19.** 71.47 (5b) (d) 1m. of the statutes is created to read:

6 71.47 **(5b)** (d) 1m. For taxable years beginning after December 31, 2014, s.
7 71.28 (4) (e), (g), and (h), as it applies to the credit under s. 71.28 (4), applies to the
8 credit under this subsection.

9 **SECTION 20.** 71.47 (5b) (d) 4. of the statutes is created to read:

10 71.47 **(5b)** (d) 4. For taxable years beginning after December 31, 2014, if the
11 allowable amount of the claim under par. (b) exceeds the tax otherwise due under s.
12 71.43, the amount of the claim not used to offset the tax due shall be certified by the
13 department of revenue to the department of administration for payment by check,
14 share draft, or other draft drawn from the appropriation account under s. 20.835 (2)
15 (ba).

16 **SECTION 21.** 71.49 (1) (eop) of the statutes is amended to read:

17 71.49 **(1)** (eop) Early stage seed investment credit under s. 71.47 (5b), except
18 as provided under par. (f).

19 **SECTION 22.** 71.49 (1) (f) of the statutes is amended to read:

20 71.49 **(1)** (f) The total of farmland preservation credit under subch. IX,
21 farmland tax relief credit under s. 71.47 (2m), dairy manufacturing facility
22 investment credit under s. 71.47 (3p), jobs credit under s. 71.47 (3q), meat processing
23 facility investment credit under s. 71.47 (3r), woody biomass harvesting and
24 processing credit under s. 71.47 (3rm), food processing plant and food warehouse
25 investment credit under s. 71.47 (3rn), enterprise zone jobs credit under s. 71.47

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1 (3w), early stage seed investment credit under s. 71.47 (5b) (d) 4., film production
2 services credit under s. 71.47 (5f), film production company investment credit under
3 s. 71.47 (5h), beginning farmer and farm asset owner tax credit under s. 71.47 (8r),
4 and estimated tax payments under s. 71.48.

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(END)