



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-0591/1
JK:amn

2017 SENATE BILL 112

March 16, 2017 - Introduced by Senators C. LARSON, JOHNSON and L. TAYLOR, cosponsored by Representatives BROSTOFF, SINICKI, GOYKE, KESSLER, BERCEAU, SARGENT and ZAMARRIPA. Referred to Committee on Revenue, Financial Institutions and Rural Issues.

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 (8b), 71.10 (4) (cs), 71.28 (8b), 71.30 (3) (cs),
3 71.47 (8b) and 71.49 (1) (cs) of the statutes; **relating to:** a tax credit for hiring
4 certain apprentices from the Milwaukee Institute of Art and Design.

Analysis by the Legislative Reference Bureau

This bill allows a business to claim an income and franchise tax credit equal to \$2,500 for each employee who is employed through the Milwaukee Institute of Art and Design apprenticeship program funded by an American Apprenticeship Initiative grant through the United States Department of Labor. To claim the credit, the business must be located in this state and engaged in a design apprenticeship activity consistent with the purposes for which the school received the grant. The maximum amount of the credit that may be claimed for all claimants and all taxable years is \$750,000.

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

SENATE BILL 112**SECTION 1**

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

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

8 71.07 **(8b)** APPRENTICESHIP PROGRAM CREDIT. (a) *Definition.* In this subsection,
9 “claimant” means a person who files a claim under this subsection.

10 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
11 claimant may claim a credit against the taxes imposed under s. 71.02, up to the
12 amount of the tax, an amount equal to \$2,500 multiplied by the number of the
13 claimant's employees who satisfy all of the following conditions:

14 1. In the taxable year for which the claimant claims a credit under this
15 subsection, the employee is employed through the Milwaukee Institute of Art and
16 Design apprentice program funded by an American apprenticeship initiative grant
17 through the U.S. department of labor.

18 2. The employee is employed by a business owned by the claimant that is
19 located in this state and that is engaged in a design apprenticeship activity
20 consistent with the purposes for which the Milwaukee Institute of Art and Design
21 received the grant described under subd. 1.

22 (c) *Limitations.* 1. No person may claim the credit under this subsection unless
23 the person first applies for the credit with the department, in the manner prescribed
24 by the department, and the department approves the credit.

SENATE BILL 112**SECTION 2**

1 2. The total amount of the credits that claimants may claim under this
2 subsection and ss. 71.28 (8b) and 71.47 (8b) is \$750,000. The department may adjust
3 the amount of any credits claimed under this subsection and ss. 71.28 (8b) and 71.47
4 (8b) at the time that applications are made under subd. 1. and ss. 71.28 (8b) (c) 1. and
5 71.47 (8b) (c) 1. so that the limit under this subdivision is not exceeded.

6 3. Partnerships, limited liability companies, and tax-option corporations may
7 not claim the credit under this subsection, but the eligibility for and the amount of
8 the credit are based on their hiring of eligible employees described under par. (b).
9 A partnership, limited liability company, or tax-option corporation shall compute
10 the amount of credit that each of its partners, members, or shareholders may claim
11 and shall provide that information to each of them. Partners, members of limited
12 liability companies, and shareholders of tax-option corporations may claim the
13 credit in proportion to their ownership interests.

14 (d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under
15 s. 71.28 (4), applies to the credit under this subsection.

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

17 71.10 (4) (cs) Apprenticeship program credit under s. 71.07 (8b).

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

19 71.21 (4) (a) The amount of the credits computed by a partnership under s.
20 71.07 (2dm), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s), (3t), (3w),
21 (3y), (4k), (4n), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), (8b), and (8r) and
22 passed through to partners shall be added to the partnership's income.

23 **SECTION 5.** 71.26 (2) (a) 4. of the statutes is amended to read:

24 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dm),
25 (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3t), (3w), (5e), (5f), (5g), (5h),

SENATE BILL 112**SECTION 5**

1 (5i), (5j), (5k), (5r), (5rm), (6n), (8b), (8r), and (9s) and not passed through by a
2 partnership, limited liability company, or tax-option corporation that has added that
3 amount to the partnership's, limited liability company's, or tax-option corporation's
4 income under s. 71.21 (4) or 71.34 (1k) (g).

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

6 71.28 **(8b)** APPRENTICESHIP PROGRAM CREDIT. (a) *Definition*. In this subsection,
7 "claimant" means a person who files a claim under this subsection.

8 (b) *Filing claims*. Subject to the limitations provided in this subsection, a
9 claimant may claim a credit against the taxes imposed under s. 71.23, up to the
10 amount of the tax, an amount equal to \$2,500 multiplied by the number of the
11 claimant's employees who satisfy all of the following conditions:

12 1. In the taxable year for which the claimant claims a credit under this
13 subsection, the employee is employed through the Milwaukee Institute of Art and
14 Design apprentice program funded by an American apprenticeship initiative grant
15 through the U.S. department of labor.

16 2. The employee is employed by a business owned by the claimant that is
17 located in this state and that is engaged in a design apprenticeship activity
18 consistent with the purposes for which the Milwaukee Institute of Art and Design
19 received the grant described under subd. 1.

20 (c) *Limitations*. 1. No person may claim the credit under this subsection unless
21 the person first applies for the credit with the department, in the manner prescribed
22 by the department, and the department approves the credit.

23 2. The total amount of the credits that claimants may claim under this
24 subsection and ss. 71.07 (8b) and 71.47 (8b) is \$750,000. The department may adjust
25 the amount of any credits claimed under this subsection and ss. 71.07 (8b) and 71.47

SENATE BILL 112**SECTION 6**

1 (8b) at the time that applications are made under subd. 1. and ss. 71.07 (8b) (c) 1. and
2 71.47 (8b) (c) 1. so that the limit under this subdivision is not exceeded.

3 3. Partnerships, limited liability companies, and tax-option corporations may
4 not claim the credit under this subsection, but the eligibility for and the amount of
5 the credit are based on their hiring of eligible employees described under par. (b).
6 A partnership, limited liability company, or tax-option corporation shall compute
7 the amount of credit that each of its partners, members, or shareholders may claim
8 and shall provide that information to each of them. Partners, members of limited
9 liability companies, and shareholders of tax-option corporations may claim the
10 credit in proportion to their ownership interests.

11 (d) *Administration.* Subsection (4) (e) to (h), as it applies to the credit under
12 sub. (4), applies to the credit under this subsection.

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

14 71.30 (3) (cs) Apprenticeship program credit under s. 71.28 (8b).

15 **SECTION 8.** 71.34 (1k) (g) of the statutes is amended to read:

16 71.34 (1k) (g) An addition shall be made for credits computed by a tax-option
17 corporation under s. 71.28 (1dm), (1dx), (1dy), (3), (3g), (3h), (3n), (3p), (3q), (3r),
18 (3rm), (3rn), (3t), (3w), (3y), (4), (5), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n),
19 (8b), and (8r) and passed through to shareholders.

20 **SECTION 9.** 71.45 (2) (a) 10. of the statutes is 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), (8b), (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

SENATE BILL 112**SECTION 9**

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 (8b) of the statutes is created to read:

4 71.47 (8b) APPRENTICESHIP PROGRAM CREDIT. (a) *Definition.* In this subsection,
5 "claimant" means a person who files a claim under this subsection.

6 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
7 claimant may claim a credit against the taxes imposed under s. 71.43, up to the
8 amount of the tax, an amount equal to \$2,500 multiplied by the number of the
9 claimant's employees who satisfy all of the following conditions:

10 1. In the taxable year for which the claimant claims a credit under this
11 subsection, the employee is employed through the Milwaukee Institute of Art and
12 Design apprentice program funded by an American apprenticeship initiative grant
13 through the U.S. department of labor.

14 2. The employee is employed by a business owned by the claimant that is
15 located in this state and that is engaged in a design apprenticeship activity
16 consistent with the purposes for which the Milwaukee Institute of Art and Design
17 received the grant described under subd. 1.

18 (c) *Limitations.* 1. No person may claim the credit under this subsection unless
19 the person first applies for the credit with the department, in the manner prescribed
20 by the department, and the department approves the credit.

21 2. The total amount of the credits that claimants may claim under this
22 subsection and ss. 71.07 (8b) and 71.28 (8b) is \$750,000. The department may adjust
23 the amount of any credits claimed under this subsection and ss. 71.07 (8b) and 71.28
24 (8b) at the time that applications are made under subd. 1. and ss. 71.07 (8b) (c) 1. and
25 71.28 (8b) (c) 1. so that the limit under this subdivision is not exceeded.

