



## 2011 SENATE BILL 4

January 14, 2011 – Introduced by Senators GALLOWAY, HARSDORF, LASEE, HOLPERIN and MOULTON, cosponsored by Representatives RIVARD, WILLIAMS, SEVERSON, RIPP, STEINEKE, KRUG, A. OTT, BIES, LEMAHIEU, PETROWSKI, TRANEL, SPANBAUER, BALLWEG, MURSAU, BROOKS and KESTELL. Referred to Committee on Financial Institutions and Rural Issues.

1     **AN ACT** *to amend* 560.799 (3) (a) and 560.799 (5) (d) (intro.); and *to create*  
2             560.799 (3) (d) of the statutes; **relating to:** authorizing the designation of  
3             additional enterprise zones and requiring the designation of enterprise zones  
4             in rural areas.

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### ***Analysis by the Legislative Reference Bureau***

Under current law, the Department of Commerce (Commerce) may designate an area as an enterprise zone. Commerce must consider a number of factors related to the area prior to designating the area as an enterprise zone, including indicators of the area's economic need and whether designation as an enterprise zone would promote the retention of jobs in the area. A taxpayer who creates or retains jobs in an enterprise zone may claim certain credits against state income and franchise taxes. Currently, Commerce may designate no more than 12 enterprise zones. This bill permits Commerce to designate a total of 16 enterprise zones.

In determining whether to designate an area an enterprise zone, current law requires Commerce to consider specified indicators of the area's economic need and specified indicators of the effect of designation on other initiatives and programs to promote economic and community development in the area. Current law also requires Commerce to give preference to the greatest economic need. This bill requires Commerce to designate two additional enterprise zones in political subdivisions with populations of less than 5,000 and two additional enterprise zones in political subdivisions with populations between 5,000 and 29,999 (rural zones), notwithstanding the current factors Commerce must consider.

**SENATE BILL 4**

Currently, a business that retains jobs in an enterprise zone is eligible for tax credits if the business makes a significant capital investment in property located in the enterprise zone and at least one of the following applies: 1) the business is an original equipment manufacturer with a significant supply chain in the state; or 2) the business has more than 500 full-time employees in the enterprise zone. Under the bill, a business that retains jobs in a rural zone and makes a significant capital investment in property located in the rural zone is eligible for tax credits; no additional showing is required.

For further information see the ***state and local*** fiscal estimate, which will be printed as an appendix to this bill.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1           **SECTION 1.** 560.799 (3) (a) of the statutes is amended to read:

2           560.799 (3) (a) The department may designate not more than ~~12~~ 16 enterprise  
3 zones.

4           **SECTION 2.** 560.799 (3) (d) of the statutes is created to read:

5           560.799 (3) (d) Notwithstanding pars. (b) and (c), the department shall  
6 designate as enterprise zones at least 2 areas in political subdivisions with  
7 populations of less than 5,000 and at least 2 areas in political subdivisions with  
8 populations of 5,000 or more but less than 30,000.

9           **SECTION 3.** 560.799 (5) (d) (intro.) of the statutes is amended to read:

10          560.799 (5) (d) (intro.) A business that retains jobs in an enterprise zone, but  
11 only if the business makes a significant capital investment in property located in the  
12 enterprise zone and, unless the property is located in an enterprise zone designated  
13 under sub. (3) (d). at least one of the following applies:

14                                   **(END)**