

## Chapter Comm 134

### MEAT PROCESSING FACILITY INVESTMENT CREDIT

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**Comm 134.10 Authority and purpose.** Pursuant to s. 560.208 (4), Stats., this chapter sets forth the requirements for obtaining all of the following from the department:

(1) A certification that a taxpayer, including a taxpayer who is any of the following, is eligible for the meat processing facility investment credit under s. 71.07 (3r), 71.28 (3r), or 71.47 (3r), Stats.:

- (a) A partner of a partnership.
- (b) A member of a limited liability company.
- (c) A shareholder of a tax-option corporation.

(2) A determination of the maximum amount of tax credit that may be claimed under this chapter for an investment in a meat processing facility.

**Note:** The statute sections listed in this section address income and franchise tax credits for investments in meat processing facilities.

**History:** CR 10-007; cr. Register August 2010 No. 656, eff. 9-1-10.

**Comm 134.20 Definitions.** In this chapter:

(1) "Department" means the department of commerce.

(2) "Eligible capital investment" includes all expenses incurred in the acquisition, construction or improvement of buildings or facilities; and the purchase price of depreciable personal property or equipment.

(3) "Livestock" means domesticated food animals other than fish and wild game animals.

(4) "Meat" means the edible muscle and other edible parts of animals used as food for human consumption including the dressed edible muscle and other edible parts of cattle, swine, sheep, goats, poultry, and other food animals, except fish and wild game animals.

(5) "Meat processing" has the meaning given in s. 71.07 (3r) (a) 2., Stats.

**Note:** Section 71.07 (3r) (a) 2. of the Statutes reads as follows: "'Meat processing' means processing livestock into meat products or processing meat products for sale commercially."

(6) "Meat product" means a value-added, saleable, and edible stand-alone product resulting from processing meat or another meat product by a USDA or state-inspected facility. Meat products do not include sandwiches, spreads, appetizers, soups, salads, dinners, pizzas, pasties, or any other product that uses meat in any manner other than as the predominant ingredient. Meat products also do not include products that are processed through custom or mobile processing or slaughtering.

(7) "Process" means to cut, grind, manufacture, compound, intermix, or prepare meat or meat products for human consumption.

**History:** CR 10-007; cr. Register August 2010 No. 656, eff. 9-1-10.

**Comm 134.30 Applying for certification and allocation.** (1) (a) A taxpayer or one of the following entities may apply for a certification and an allocation for a meat processing facility investment credit:

1. A partnership.
2. A limited liability company.
3. A tax-option corporation.

(b) A "taxpayer" or the "entities" in par. (a) may include either the operator of a meat processing operation, or an owner of a building or facility in which the operation occurs.

(2) Application to the department for a certification and an allocation of the credit shall be made on a valid, department-prescribed form.

**Note:** The application form that is currently valid can be obtained from the Department at P.O. Box 7970, Madison, WI 53707.

(3) (a) Each application shall include all of the following information:

1. A description of the business operations of the applicant, in relation to the project.
2. A description of the project.
3. A description of how the project will promote economic development.
4. Any other information that the department deems necessary to evaluate applications and allocate available tax credits.
5. Any subsequent clarification requested by the department.

(b) No application may include costs incurred in taxable years beginning on or after January 1, 2017.

(4) Each application shall be completed and either post-marked or delivered to the department no sooner than upon completion of the taxable year in which the costs listed in the application were incurred and no later than February 15th of the subsequent taxable year, unless this deadline is extended by the department.

**History:** CR 10-007; cr. Register August 2010 No. 656, eff. 9-1-10.

**Comm 134.40 Certifications for applicants, and allocation of tax credits.** (1) After receipt of the applications submitted under s. Comm 134.30, the department shall issue certifications for the applicants that have met the criteria in s. Comm 134.30 (2) to (4).

(2) In conjunction with issuing a certification for an applicant, the department shall determine the maximum amount of tax credit that the applicant may either claim or distribute to its partners, members or shareholders.

**Note:** Under chapter 71 of the Statutes, the aggregate amount of credits that a taxpayer may claim under this chapter is \$200,000; except that partnerships, limited liability companies, tax-option corporations and other multiple-owner entities are limited to an aggregate of \$200,000 for a facility.

(3) (a) Due to the \$300,000 and \$700,000 maximum totals established in s. 560.208 (2), Stats., for allocations in fiscal years 2009-10 and thereafter, respectively, the department may allocate the tax credits in a manner that the department believes is most likely to promote economic development.

(b) In determining the allocation of tax credits under par. (a), the department shall consider all of the following:

1. The jobs created by the project.
2. The salaries, wages and other employee benefits of the jobs created by the project.
3. The impact of the project on the meat processing industry in Wisconsin.
4. The extent to which the area served by the project is economically distressed.

5. The amount of new, eligible capital investment in the project.

6. The impact of the project on business in Wisconsin.

7. Any previous assistance from the department.

(c) The department may prorate some or all of the allocations in order to broaden the potential for promoting economic development and to address the criteria in par. (b).

**Note:** See chapter Comm 149 for additional requirements relating to (1) contracts between the Department and recipients of economic-development tax credits and (2) penalties for submitting false or misleading information, or for failing to comply with the terms of a contract.

**History:** CR 10-007: cr. Register August 2010 No. 656, eff. 9-1-10.

**Comm 134.50 Notifications.** Following completion of the certifications and allocations in s. Comm 134.40, the department shall notify each applicant of the outcome of their application — and shall notify the department of revenue of every certification issued under this chapter and the amount of the tax credit allocated to the applicant.

**History:** CR 10-007: cr. Register August 2010 No. 656, eff. 9-1-10.

**Comm 134.60 Claims.** A taxpayer may file for a tax credit under this chapter using forms acceptable to the department of revenue.

**History:** CR 10-007: cr. Register August 2010 No. 656, eff. 9-1-10.