



State of Wisconsin
2005 - 2006 LEGISLATURE

LRBs0033/3
JK:wlj:rs

**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 2005 ASSEMBLY BILL 145**

March 3, 2005 – Offered by COMMITTEE ON AGRICULTURE.

1 **AN ACT to renumber** 71.07 (3n) (b), 71.28 (3n) (b) and 71.47 (3n) (b); **to**
2 **renumber and amend** 71.07 (3n) (e), 71.28 (3n) (e) and 71.47 (3n) (e); **to**
3 **amend** 71.07 (3n) (a) 2. (intro.), 71.28 (3n) (a) 2. (intro.) and 71.47 (3n) (a) 2.
4 (intro.); and **to create** 71.07 (3n) (a) 4., 71.07 (3n) (a) 5., 71.07 (3n) (a) 6., 71.07
5 (3n) (b) 2., 71.07 (3n) (e) 2., 71.28 (3n) (a) 4., 71.28 (3n) (a) 5., 71.28 (3n) (a) 6.,
6 71.28 (3n) (b) 2., 71.28 (3n) (e) 2., 71.47 (3n) (a) 4., 71.47 (3n) (a) 5., 71.47 (3n)
7 (a) 6., 71.47 (3n) (b) 2. and 71.47 (3n) (e) 2. of the statutes; **relating to:** creating
8 an income and franchise tax credit for livestock farm modernization or
9 expansion.

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

10 **SECTION 1.** 71.07 (3n) (a) 2. (intro.) of the statutes is amended to read:
11 71.07 (**3n**) (a) 2. (intro.) “Dairy farm modernization or expansion” means the
12 construction, the improvement, or the acquisition of buildings or facilities, or the

1 acquisition of equipment, for dairy animal housing, confinement, animal feeding,
2 milk production, or waste management, including the following, if used exclusively
3 related to dairy animals and if acquired and placed in service in this state during
4 taxable years that begin after December 31, 2003, and before January 1, 2010:

5 **SECTION 2.** 71.07 (3n) (a) 4. of the statutes is created to read:

6 71.07 (3n) (a) 4. “Livestock” means cattle, not including dairy animals; swine;
7 poultry, not including farm–raised game birds or ratites; fish that are raised in
8 aquaculture facilities; sheep; and goats.

9 **SECTION 3.** 71.07 (3n) (a) 5. of the statutes is created to read:

10 71.07 (3n) (a) 5. “Livestock farm modernization or expansion” means the
11 construction, the improvement, or the acquisition of buildings or facilities, or the
12 acquisition of equipment, for livestock housing, confinement, feeding, or waste
13 management, including the following, if used exclusively related to livestock and if
14 acquired and placed in service in this state during taxable years that begin after
15 December 31, 2004, and before January 1, 2011:

- 16 a. Birthing structures.
- 17 b. Rearing structures.
- 18 c. Feedlot structures.
- 19 d. Feed storage and handling equipment.
- 20 e. Fences.
- 21 f. Watering facilities.
- 22 g. Scales.
- 23 h. Manure pumping and storage facilities.
- 24 i. Digesters.
- 25 j. Equipment used to produce energy.

1 k. Fish hatchery buildings.

2 L. Fish processing buildings.

3 m. Fish rearing ponds.

4 **SECTION 4.** 71.07 (3n) (a) 6. of the statutes is created to read:

5 71.07 (3n) (a) 6. a. For taxable years that begin after December 31, 2003, and
6 before January 1, 2005, “used exclusively,” related to dairy animals, means used to
7 the exclusion of all other uses except for use not exceeding 5 percent of total use.

8 b. For taxable years that begin after December 31, 2004, and before January
9 1, 2010, “used exclusively,” related to livestock, dairy animals, or both, means used
10 to the exclusion of all other uses except for use not exceeding 5 percent of total use.

11 c. For taxable years that begin after December 31, 2009, and before January
12 1, 2011, “used exclusively,” related to livestock, means used to the exclusion of all
13 other uses except for use not exceeding 5 percent of total use.

14 **SECTION 5.** 71.07 (3n) (b) of the statutes is renumbered 71.07 (3n) (b) 1.

15 **SECTION 6.** 71.07 (3n) (b) 2. of the statutes is created to read:

16 71.07 (3n) (b) 2. Subject to the limitations provided in this subsection, for
17 taxable years that begin after December 31, 2004, and before January 1, 2011, a
18 claimant may claim as a credit against the tax imposed under ss. 71.02 and 71.08 an
19 amount equal to 10 percent of the amount the claimant paid in the taxable year for
20 livestock farm modernization or expansion related to the operation of the claimant’s
21 livestock farm.

22 **SECTION 7.** 71.07 (3n) (e) of the statutes is renumbered 71.07 (3n) (e) 1. and
23 amended to read:

24 71.07 (3n) (e) 1. Partnerships, limited liability companies, and tax-option
25 corporations may not claim the credit under this subsection, but the eligibility for,

1 and the amount of, the credit are based on their payment of expenses under par. (b),
2 except that the aggregate amount of credits that the entity may compute shall not
3 exceed \$50,000. A partnership, limited liability company, or tax-option corporation
4 shall compute the amount of credit that each of its partners, members, or
5 shareholders may claim and shall provide that information to each of them.
6 Partners, members of limited liability companies, and shareholders of tax-option
7 corporations may claim the credit in proportion to their ownership interest.

8 **SECTION 8.** 71.07 (3n) (e) 2. of the statutes is created to read:

9 71.07 (3n) (e) 2. If 2 or more persons own and operate the dairy or livestock
10 farm, each person may claim a credit under par. (b) in proportion to his or her
11 ownership interest, except that the aggregate amount of the credits claimed by all
12 persons who own and operate the farm shall not exceed \$50,000.

13 **SECTION 9.** 71.28 (3n) (a) 2. (intro.) of the statutes is amended to read:

14 71.28 (3n) (a) 2. (intro.) “Dairy farm modernization or expansion” means the
15 construction, the improvement, or the acquisition of buildings or facilities, or
16 acquiring equipment, for dairy animal housing, confinement, animal feeding, milk
17 production, or waste management, including the following, if used exclusively
18 related to dairy animals and if acquired and placed in service in this state during
19 taxable years that begin after December 31, 2003, and before January 1, 2010:

20 **SECTION 10.** 71.28 (3n) (a) 4. of the statutes is created to read:

21 71.28 (3n) (a) 4. “Livestock” means cattle, not including dairy animals; swine;
22 poultry, not including farm-raised game birds or ratites; fish that are raised in
23 aquaculture facilities; sheep; and goats.

24 **SECTION 11.** 71.28 (3n) (a) 5. of the statutes is created to read:

1 71.28 (3n) (a) 5. “Livestock farm modernization or expansion” means the
2 construction, the improvement, or the acquisition of buildings or facilities, or the
3 acquisition of equipment, for livestock housing, confinement, feeding, or waste
4 management, including the following, if used exclusively related to livestock and if
5 acquired and placed in service in this state during taxable years that begin after
6 December 31, 2004, and before January 1, 2011:

- 7 a. Birthing structures.
- 8 b. Rearing structures.
- 9 c. Feedlot structures.
- 10 d. Feed storage and handling equipment.
- 11 e. Fences.
- 12 f. Watering facilities.
- 13 g. Scales.
- 14 h. Manure pumping and storage facilities.
- 15 i. Digesters.
- 16 j. Equipment used to produce energy.
- 17 k. Fish hatchery buildings.
- 18 L. Fish processing buildings.
- 19 m. Fish rearing ponds.

20 **SECTION 12.** 71.28 (3n) (a) 6. of the statutes is created to read:

21 71.28 (3n) (a) 6. a. For taxable years that begin after December 31, 2003, and
22 before January 1, 2005, “used exclusively,” related to dairy animals, means used to
23 the exclusion of all other uses except for use not exceeding 5 percent of total use.

1 b. For taxable years that begin after December 31, 2004, and before January
2 1, 2010, “used exclusively,” related to livestock, dairy animals, or both, means used
3 to the exclusion of all other uses except for use not exceeding 5 percent of total use.

4 c. For taxable years that begin after December 31, 2009, and before January
5 1, 2011, “used exclusively,” related to livestock, means used to the exclusion of all
6 other uses except for use not exceeding 5 percent of total use.

7 **SECTION 13.** 71.28 (3n) (b) of the statutes is renumbered 71.28 (3n) (b) 1.

8 **SECTION 14.** 71.28 (3n) (b) 2. of the statutes is created to read:

9 71.28 **(3n)** (b) 2. Subject to the limitations provided in this subsection, for
10 taxable years that begin after December 31, 2004, and before January 1, 2011, a
11 claimant may claim as a credit against the tax imposed under s. 71.23 an amount
12 equal to 10 percent of the amount the claimant paid in the taxable year for livestock
13 farm modernization or expansion related to the operation of the claimant’s livestock
14 farm.

15 **SECTION 15.** 71.28 (3n) (e) of the statutes is renumbered 71.28 (3n) (e) 1. and
16 amended to read:

17 71.28 **(3n)** (e) 1. Partnerships, limited liability companies, and tax-option
18 corporations may not claim the credit under this subsection, but the eligibility for,
19 and the amount of, the credit are based on their payment of expenses under par. (b),
20 except that the aggregate amount of credits that the entity may compute shall not
21 exceed \$50,000. A partnership, limited liability company, or tax-option corporation
22 shall compute the amount of credit that each of its partners, members, or
23 shareholders may claim and shall provide that information to each of them.
24 Partners, members of limited liability companies, and shareholders of tax-option
25 corporations may claim the credit in proportion to their ownership interest.

1 **SECTION 16.** 71.28 (3n) (e) 2. of the statutes is created to read:

2 71.28 **(3n)** (e) 2. If 2 or more persons own and operate the dairy or livestock
3 farm, each person may claim a credit under par. (b) in proportion to his or her
4 ownership interest, except that the aggregate amount of the credits claimed by all
5 persons who own and operate the farm shall not exceed \$50,000.

6 **SECTION 17.** 71.47 (3n) (a) 2. (intro.) of the statutes is amended to read:

7 71.47 **(3n)** (a) 2. (intro.) “Dairy farm modernization or expansion” means the
8 construction, the improvement, or the acquisition of buildings or facilities, or the
9 acquisition of equipment, for dairy animal housing, confinement, animal feeding,
10 milk production, or waste management, including the following, if used exclusively
11 related to dairy animals and if acquired and placed in service in this state during
12 taxable years that begin after December 31, 2003, and before January 1, 2010:

13 **SECTION 18.** 71.47 (3n) (a) 4. of the statutes is created to read:

14 71.47 **(3n)** (a) 4. “Livestock” means cattle, not including dairy animals; swine;
15 poultry, not including farm-raised game birds or ratites; fish that are raised in
16 aquaculture facilities; sheep; and goats.

17 **SECTION 19.** 71.47 (3n) (a) 5. of the statutes is created to read:

18 71.47 **(3n)** (a) 5. “Livestock farm modernization or expansion” means the
19 construction, the improvement, or the acquisition of buildings or facilities, or the
20 acquisition of equipment, for livestock housing, confinement, feeding, or waste
21 management, including the following, if used exclusively related to livestock and if
22 acquired and placed in service in this state during taxable years that begin after
23 December 31, 2004, and before January 1, 2011:

24 a. Birthing structures.

25 b. Rearing structures.

- 1 c. Feedlot structures.
- 2 d. Feed storage and handling equipment.
- 3 e. Fences.
- 4 f. Watering facilities.
- 5 g. Scales.
- 6 h. Manure pumping and storage facilities.
- 7 i. Digesters.
- 8 j. Equipment used to produce energy.
- 9 k. Fish hatchery buildings.
- 10 L. Fish processing buildings.
- 11 m. Fish rearing ponds.

12 **SECTION 20.** 71.47 (3n) (a) 6. of the statutes is created to read:

13 71.47 (3n) (a) 6. a. For taxable years that begin after December 31, 2003, and
14 before January 1, 2005, “used exclusively,” related to dairy animals, means used to
15 the exclusion of all other uses except for use not exceeding 5 percent of total use.

16 b. For taxable years that begin after December 31, 2004, and before January
17 1, 2010, “used exclusively,” related to livestock, dairy animals, or both, means used
18 to the exclusion of all other uses except for use not exceeding 5 percent of total use.

19 c. For taxable years that begin after December 31, 2009, and before January
20 1, 2011, “used exclusively,” related to livestock, means used to the exclusion of all
21 other uses except for use not exceeding 5 percent of total use.

22 **SECTION 21.** 71.47 (3n) (b) of the statutes is renumbered 71.47 (3n) (b) 1.

23 **SECTION 22.** 71.47 (3n) (b) 2. of the statutes is created to read:

24 71.47 (3n) (b) 2. Subject to the limitations provided in this subsection, for
25 taxable years that begin after December 31, 2004, and before January 1, 2011, a

1 claimant may claim as a credit against the tax imposed under s. 71.43 an amount
2 equal to 10 percent of the amount the claimant paid in the taxable year for livestock
3 farm modernization or expansion related to the operation of the claimant's livestock
4 farm.

5 **SECTION 23.** 71.47 (3n) (e) of the statutes is renumbered 71.47 (3n) (e) 1. and
6 amended to read:

7 71.47 **(3n)** (e) 1. Partnerships, limited liability companies, and tax-option
8 corporations may not claim the credit under this subsection, but the eligibility for,
9 and the amount of, the credit are based on their payment of expenses under par. (b),
10 except that the aggregate amount of credits that the entity may compute shall not
11 exceed \$50,000. A partnership, limited liability company, or tax-option corporation
12 shall compute the amount of credit that each of its partners, members, or
13 shareholders may claim and shall provide that information to each of them.
14 Partners, members of limited liability companies, and shareholders of tax-option
15 corporations may claim the credit in proportion to their ownership interest.

16 **SECTION 24.** 71.47 (3n) (e) 2. of the statutes is created to read:

17 71.47 **(3n)** (e) 2. If 2 or more persons own and operate the dairy or livestock
18 farm, each person may claim a credit under par. (b) in proportion to his or her
19 ownership interest, except that the aggregate amount of the credits claimed by all
20 persons who own and operate the farm shall not exceed \$50,000.

21 (END)