



State of Wisconsin
2009 - 2010 LEGISLATURE

LRBa2327/2
JK:nwn:ph

ASSEMBLY AMENDMENT 1,
TO ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 2009 ASSEMBLY BILL 904

April 20, 2010 – Offered by Representatives RICHARDS and HONADEL.

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 1, line 6: after “programs;” insert “a water consumption tax credit;”.

3 **2.** Page 4, line 8: after that line insert:

4 “**SECTION 8b.** 71.05 (6) (a) 15. of the statutes, as affected by 2009 Wisconsin Act
5 28, is amended to read:

6 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),
7 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3s),
8 (3t), (3w), (5e), (5f), (5h), (5i), (5j), (5k), (5rm), and (8r) and not passed through by a
9 partnership, limited liability company, or tax-option corporation that has added that
10 amount to the partnership’s, company’s, or tax-option corporation’s income under s.
11 71.21 (4) or 71.34 (1k) (g).

12 **SECTION 8c.** 71.07 (5rm) of the statutes is created to read:

1 71.07 (5rm) WATER CONSUMPTION CREDIT. (a) *Definitions*. In this subsection:

2 1. “Ccf” means 100 cubic feet.

3 2. “Claimant” means a person who files a claim under this subsection, who is
4 an industrial customer of a municipal water utility that is located in a federal
5 renewal community zone in this state, and whose average annual water
6 consumption from that utility for a 24-month period exceeds 1,000,000 Ccf.

7 (b) *Filing claims*. Subject to the limitations provided in this subsection, for
8 taxable years beginning after December 31, 2009, and before January 1, 2020, a
9 claimant may claim as a credit against the tax imposed under s. 71.02, up to the
10 amount of the tax, the amount determined as follows, except that the maximum
11 amount that a claimant may claim in a taxable year under this subsection is
12 \$300,000:

13 1. Subtract the claimant’s 2009 water usage costs from the claimant’s water
14 usage costs for the taxable year.

15 2. If the amount determined under subd. 1. is a positive number, multiply that
16 amount by 0.50.

17 (c) *Limitations*. 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 amounts under par. (b).
20 A partnership, limited liability company, or tax-option corporation shall compute
21 the amount of credit that each of its partners, members, or shareholders may claim
22 and shall provide that information to each of them. Partners, members of limited
23 liability companies, and shareholders of tax-option corporations may claim the
24 credit in proportion to their ownership interests.

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

3 **SECTION 8d.** 71.10 (4) (ce) of the statutes is created to read:

4 71.10 (4) (ce) Water consumption credit under s. 71.07 (5rm).

5 **SECTION 8e.** 71.21 (4) of the statutes, as affected by 2009 Wisconsin Act 28, is
6 amended to read:

7 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
8 (2dj), (2dL), (2dm), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3s), (3t), (3w),
9 (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5rm), and (8r) and passed through to partners
10 shall be added to the partnership's income.

11 **SECTION 8f.** 71.26 (2) (a) 4. of the statutes, as affected by 2009 Wisconsin Act
12 28, is amended to read:

13 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dd),
14 (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3t),
15 (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5rm), and (8r) and not passed through by a
16 partnership, limited liability company, or tax-option corporation that has added that
17 amount to the partnership's, limited liability company's, or tax-option corporation's
18 income under s. 71.21 (4) or 71.34 (1k) (g).

19 **SECTION 8g.** 71.28 (5rm) of the statutes is created to read:

20 71.28 (5rm) WATER CONSUMPTION CREDIT. (a) *Definitions*. In this subsection:

21 1. "Ccf" means 100 cubic feet.

22 2. "Claimant" means a person who files a claim under this subsection, who is
23 an industrial customer of a municipal water utility that is located in a federal
24 renewal community zone in this state, and whose average annual water
25 consumption from that utility for a 24-month period exceeds 1,000,000 Ccf.

1 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
2 taxable years beginning after December 31, 2009, and before January 1, 2020, a
3 claimant may claim as a credit against the tax imposed under s. 71.23, up to the
4 amount of the tax, the amount determined as follows, except that the maximum
5 amount that a claimant may claim in a taxable year under this subsection is
6 \$300,000:

7 1. Subtract the claimant's 2009 water usage costs from the claimant's water
8 usage costs for the taxable year.

9 2. If the amount determined under subd. 1. is a positive number, multiply that
10 amount by 0.50.

11 (c) *Limitations.* Partnerships, limited liability companies, and tax-option
12 corporations may not claim the credit under this subsection, but the eligibility for,
13 and the amount of, the credit are based on their payment of amounts under par. (b).
14 A partnership, limited liability company, or tax-option corporation shall compute
15 the amount of credit that each of its partners, members, or shareholders may claim
16 and shall provide that information to each of them. Partners, members of limited
17 liability companies, and shareholders of tax-option corporations may claim the
18 credit in proportion to their ownership interests.

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

21 **SECTION 8h.** 71.30 (3) (ce) of the statutes is created to read:

22 71.30 (3) (ce) Water consumption credit under s. 71.28 (5rm).

23 **SECTION 8i.** 71.34 (1k) (g) of the statutes, as affected by 2009 Wisconsin Act 28,
24 is amended to read:

1 71.34 (1k) (g) An addition shall be made for credits computed by a tax-option
2 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy),
3 (3), (3g), (3h), (3n), (3p), (3q), (3r), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5rm),
4 and (8r) and passed through to shareholders.

5 **SECTION 8j.** 71.45 (2) (a) 10. of the statutes, as affected by 2009 Wisconsin Act
6 28, is amended to read:

7 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
8 computed under s. 71.47 (1dd) to (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3w), (5e), (5f),
9 (5g), (5h), (5i), (5j), (5k), (5rm), and (8r) and not passed through by a partnership,
10 limited liability company, or tax-option corporation that has added that amount to
11 the partnership's, limited liability company's, or tax-option corporation's income
12 under s. 71.21 (4) or 71.34 (1k) (g) and the amount of credit computed under s. 71.47
13 (1), (3), (3t), (4), (4m), and (5).

14 **SECTION 8k.** 71.47 (5rm) of the statutes is created to read:

15 71.47 (5rm) WATER CONSUMPTION CREDIT. (a) *Definitions.* In this subsection:

16 1. "Ccf" means 100 cubic feet.

17 2. "Claimant" means a person who files a claim under this subsection, who is
18 an industrial customer of a municipal water utility that is located in a federal
19 renewal community zone in this state, and whose average annual water
20 consumption from that utility for a 24-month period exceeds 1,000,000 Ccf.

21 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
22 taxable years beginning after December 31, 2009, and before January 1, 2020, a
23 claimant may claim as a credit against the tax imposed under s. 71.43, up to the
24 amount of the tax, the amount determined as follows, except that the maximum

1 amount that a claimant may claim in a taxable year under this subsection is
2 \$300,000:

3 1. Subtract the claimant’s 2009 water usage costs from the claimant’s water
4 usage costs for the taxable year.

5 2. If the amount determined under subd. 1. is a positive number, multiply that
6 amount by 0.50.

7 (c) *Limitations.* 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 amounts under par. (b).
10 A partnership, limited liability company, or tax-option corporation shall compute
11 the amount of credit that each of its partners, members, or shareholders may claim
12 and shall provide that information to each of them. Partners, members of limited
13 liability companies, and shareholders of tax-option corporations may claim the
14 credit in proportion to their ownership interests.

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

17 **SECTION 8L.** 71.49 (1) (ce) of the statutes is created to read:

18 71.49 (1) (ce) Water consumption credit under s. 71.47 (5rm).

19 **SECTION 8m.** 77.92 (4) of the statutes, as affected by 2009 Wisconsin Act 28, is
20 amended to read:

21 77.92 (4) “Net business income,” with respect to a partnership, means taxable
22 income as calculated under section 703 of the Internal Revenue Code; plus the items
23 of income and gain under section 702 of the Internal Revenue Code, including taxable
24 state and municipal bond interest and excluding nontaxable interest income or
25 dividend income from federal government obligations; minus the items of loss and

1 deduction under section 702 of the Internal Revenue Code, except items that are not
2 deductible under s. 71.21; plus guaranteed payments to partners under section 707
3 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),
4 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3s),
5 (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), ~~(5rm)~~, and (8r); and plus or minus, as
6 appropriate, transitional adjustments, depreciation differences, and basis
7 differences under s. 71.05 (13), (15), (16), (17), and (19); but excluding income, gain,
8 loss, and deductions from farming. “Net business income,” with respect to a natural
9 person, estate, or trust, means profit from a trade or business for federal income tax
10 purposes and includes net income derived as an employee as defined in section 3121
11 (d) (3) of the Internal Revenue Code.”.

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(END)