



State of Wisconsin
2009 - 2010 LEGISLATURE

LRBa2328/1
JK:nwn:ph

**SENATE AMENDMENT 1,
TO SENATE SUBSTITUTE AMENDMENT 1,
TO 2009 SENATE BILL 651**

April 20, 2010 – Offered by Senators PLALE and KANAVAS.

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, a claimant may claim as a credit
9 against the tax imposed under s. 71.02, up to the amount of the tax, the amount
10 determined as follows, except that the maximum amount that a claimant may claim
11 in a taxable year under this subsection is \$300,000:

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

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

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

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

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

2 71.10 (4) (ce) Water consumption credit under s. 71.07 (5rm).

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

5 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
6 (2dj), (2dL), (2dm), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3s), (3t), (3w),
7 (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5rm), and (8r) and passed through to partners
8 shall be added to the partnership's income.

9 **SECTION 8f.** 71.26 (2) (a) 4. of the statutes, as affected by 2009 Wisconsin Act
10 28, is amended to read:

11 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dd),
12 (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3t),
13 (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5rm), and (8r) and not passed through by a
14 partnership, limited liability company, or tax-option corporation that has added that
15 amount to the partnership's, limited liability company's, or tax-option corporation's
16 income under s. 71.21 (4) or 71.34 (1k) (g).

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

18 71.28 (5rm) WATER CONSUMPTION CREDIT. (a) *Definitions.* In this subsection:

19 1. "Ccf" means 100 cubic feet.

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

24 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
25 taxable years beginning after December 31, 2009, a claimant may claim as a credit

1 against the tax imposed under s. 71.23, up to the amount of the tax, the amount
2 determined as follows, except that the maximum amount that a claimant may claim
3 in a taxable year under this subsection is \$300,000:

4 1. Subtract the claimant's 2009 water usage costs from the claimant's water
5 usage costs for the taxable year.

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

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

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

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

19 71.30 (3) (ce) Water consumption credit under s. 71.28 (5rm).

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

22 71.34 (1k) (g) An addition shall be made for credits computed by a tax-option
23 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy),
24 (3), (3g), (3h), (3n), (3p), (3q), (3r), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5rm),
25 and (8r) and passed through to shareholders.

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

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

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

11 71.47 (5rm) WATER CONSUMPTION CREDIT. (a) *Definitions.* In this subsection:

12 1. "Ccf" means 100 cubic feet.

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

17 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
18 taxable years beginning after December 31, 2009, a claimant may claim as a credit
19 against the tax imposed under s. 71.43, up to the amount of the tax, the amount
20 determined as follows, except that the maximum amount that a claimant may claim
21 in a taxable year under this subsection is \$300,000:

22 1. Subtract the claimant's 2009 water usage costs from the claimant's water
23 usage costs for the taxable year.

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

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

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

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

12 71.49 (1) (ce) Water consumption credit under s. 71.47 (5rm).

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

15 77.92 (4) “Net business income,” with respect to a partnership, means taxable
16 income as calculated under section 703 of the Internal Revenue Code; plus the items
17 of income and gain under section 702 of the Internal Revenue Code, including taxable
18 state and municipal bond interest and excluding nontaxable interest income or
19 dividend income from federal government obligations; minus the items of loss and
20 deduction under section 702 of the Internal Revenue Code, except items that are not
21 deductible under s. 71.21; plus guaranteed payments to partners under section 707
22 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),
23 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3s),
24 (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5rm), and (8r); and plus or minus, as
25 appropriate, transitional adjustments, depreciation differences, and basis

1 differences under s. 71.05 (13), (15), (16), (17), and (19); but excluding income, gain,
2 loss, and deductions from farming. “Net business income,” with respect to a natural
3 person, estate, or trust, means profit from a trade or business for federal income tax
4 purposes and includes net income derived as an employee as defined in section 3121
5 (d) (3) of the Internal Revenue Code.”

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(END)