



State of Wisconsin
2011 - 2012 LEGISLATURE



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**SENATE SUBSTITUTE AMENDMENT 1,
TO 2011 SENATE BILL 227**

October 18, 2011 – Offered by Senator LEIBHAM.

1 **AN ACT to amend** 71.05 (6) (a) 15., 71.21 (4), 71.26 (2) (a) 4., 71.34 (1k) (g), 71.45
2 (2) (a) 10. and 77.92 (4); and **to create** 71.07 (9g), 71.10 (4) (cs), 71.28 (9g), 71.30
3 (3) (dr), 71.47 (9g) and 71.49 (1) (dr) of the statutes; **relating to:** income and
4 franchise tax credits for insulating concrete forms used to construct a building.

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

5 **SECTION 1.** 71.05 (6) (a) 15. of the statutes, as affected by 2011 Wisconsin Act
6 32, is amended to read:

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

1 **SECTION 2.** 71.07 (9g) of the statutes is created to read:

2 71.07 **(9g)** INSULATING CONCRETE FORMS CREDIT. (a) *Definitions.* In this
3 subsection:

4 1. “Claimant” means a person who files a claim under this subsection.

5 2. “Insulating concrete form” means a hollow expandable polystyrene form
6 system that is filled with concrete, but does not include the concrete used to fill the
7 form.

8 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
9 claimant may claim as a credit against the taxes imposed under s. 71.02, up to the
10 amount of the taxes, an amount equal to the amount that the claimant paid in the
11 taxable year to purchase for use in this state insulating concrete forms used to
12 construct the insulated interior and exterior walls of any building.

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

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

23 **SECTION 3.** 71.10 (4) (cs) of the statutes is created to read:

24 71.10 **(4)** (cs) Insulating concrete forms credit under s. 71.07 (9g).

1 **SECTION 4.** 71.21 (4) of the statutes, as affected by 2011 Wisconsin Act 32, is
2 amended to read:

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

7 **SECTION 5.** 71.26 (2) (a) 4. of the statutes, as affected by 2011 Wisconsin Act 32,
8 is amended to read:

9 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dd),
10 (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r),
11 (3rm), (3rn), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5n), (5r), (5rm), (8r), (9g),
12 and (9s) and not passed through by a partnership, limited liability company, or
13 tax-option corporation that has added that amount to the partnership's, limited
14 liability company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k)
15 (g).

16 **SECTION 6.** 71.28 (9g) of the statutes is created to read:

17 71.28 (9g) INSULATING CONCRETE FORMS CREDIT. (a) *Definitions.* In this
18 subsection:

19 1. "Claimant" means a person who files a claim under this subsection.

20 2. "Insulating concrete form" means a hollow expandable polystyrene form
21 system that is filled with concrete, but does not include the concrete used to fill the
22 form.

23 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
24 claimant may claim as a credit against the taxes imposed under s. 71.23, up to the
25 amount of the taxes, an amount equal to the amount that the claimant paid in the

1 taxable year to purchase for use in this state insulating concrete forms used to
2 construct the insulated interior and exterior walls of any building.

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

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

13 **SECTION 7.** 71.30 (3) (dr) of the statutes is created to read:

14 71.30 (3) (dr) Insulating concrete forms credit under s. 71.28 (9g).

15 **SECTION 8.** 71.34 (1k) (g) of the statutes, as affected by 2011 Wisconsin Act 32,
16 is amended to read:

17 71.34 (1k) (g) An addition shall be made for credits computed by a tax-option
18 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy),
19 (3), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j),
20 (5k), (5n), (5r), (5rm), ~~and (8r), and (9g)~~ and passed through to shareholders.

21 **SECTION 9.** 71.45 (2) (a) 10. of the statutes, as affected by 2011 Wisconsin Act
22 32, is amended to read:

23 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
24 computed under s. 71.47 (1dd) to (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn),
25 (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5n), (5r), (5rm), (8r), ~~(9g)~~, and (9s) and not

1 passed through by a partnership, limited liability company, or tax-option
2 corporation that has added that amount to the partnership's, limited liability
3 company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g) and
4 the amount of credit computed under s. 71.47 (1), (3), (3t), (4), (4m), and (5).

5 **SECTION 10.** 71.47 (9g) of the statutes is created to read:

6 71.47 **(9g)** INSULATING CONCRETE FORMS CREDIT. (a) *Definitions.* In this
7 subsection:

8 1. "Claimant" means a person who files a claim under this subsection.

9 2. "Insulating concrete form" means a hollow expandable polystyrene form
10 system that is filled with concrete, but does not include the concrete used to fill the
11 form.

12 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
13 claimant may claim as a credit against the taxes imposed under s. 71.43, up to the
14 amount of the taxes, an amount equal to the amount that the claimant paid in the
15 taxable year to purchase for use in this state insulating concrete forms used to
16 construct the insulated interior and exterior walls of any building.

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 the amounts described
20 under par. (b). A partnership, limited liability company, or tax-option corporation
21 shall compute the amount of credit that each of its partners, members, or
22 shareholders may claim and shall provide that information to each of them.
23 Partners, members of limited liability companies, and shareholders of tax-option
24 corporations may claim the 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 11.** 71.49 (1) (dr) of the statutes is created to read:

4 71.49 (1) (dr) Insulating concrete forms credit under s. 71.47 (9g).

5 **SECTION 12.** 77.92 (4) of the statutes, as affected by 2011 Wisconsin Act 32, is
6 amended to read:

7 77.92 (4) “Net business income,” with respect to a partnership, means taxable
8 income as calculated under section 703 of the Internal Revenue Code; plus the items
9 of income and gain under section 702 of the Internal Revenue Code, including taxable
10 state and municipal bond interest and excluding nontaxable interest income or
11 dividend income from federal government obligations; minus the items of loss and
12 deduction under section 702 of the Internal Revenue Code, except items that are not
13 deductible under s. 71.21; plus guaranteed payments to partners under section 707
14 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),
15 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r),
16 (3rm), (3rn), (3s), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5n), (5r), (5rm), ~~and~~
17 (8r), and (9g); and plus or minus, as appropriate, transitional adjustments,
18 depreciation differences, and basis differences under s. 71.05 (13), (15), (16), (17), and
19 (19); but excluding income, gain, loss, and deductions from farming. “Net business
20 income,” with respect to a natural person, estate, or trust, means profit from a trade
21 or business for federal income tax purposes and includes net income derived as an
22 employee as defined in section 3121 (d) (3) of the Internal Revenue Code.

23 **SECTION 13. Initial applicability.**

24 (1) This act first applies to taxable years beginning on January 1 of the year
25 in which this subsection takes effect, except that if this subsection takes effect after

1 July 31 this act first applies to taxable years beginning on January 1 of the year
2 following the year in which this subsection takes effect.

3 (END)