



State of Wisconsin
2011 - 2012 LEGISLATURE



LRBa2800/1
JK:wlj/jld/kjf:rs

**SENATE AMENDMENT 1,
TO 2011 SENATE BILL 550**

March 13, 2012 – Offered by Senators LASSA, MILLER, RISSER, SHILLING, KING, C. LARSON, VINEHOUT, TAYLOR and HANSEN.

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 1, line 5: delete “spouses and” and substitute “spouses,”.

3 **2.** Page 1, line 6: after “state” insert “, and an income and franchise tax credit
4 for hiring unemployed disabled veterans”.

5 **3.** Page 3, line 1: before that line insert:

6 “**SECTION 1b.** 71.05 (6) (a) 15. of the statutes, as affected by 2011 Wisconsin Acts
7 32 and (Senate Bill 260), is amended to read:

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

1 the partnership's, company's, or tax-option corporation's income under s. 71.21 (4)
2 or 71.34 (1k) (g).

3 **SECTION 1c.** 71.07 (6n) of the statutes is created to read:

4 71.07 (6n) VETERAN EMPLOYMENT CREDIT. (a) *Definitions.* In this subsection:

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

6 2. "Disabled veteran" means a veteran who is verified by the department of
7 veteran affairs to have a service-connected disability rating of at least 50 percent
8 under 38 USC 1114 or 1134.

9 3. "Full-time job" means a regular, nonseasonal full-time position in which an
10 individual, as a condition of employment, is required to work at least 2,080 hours per
11 year, including paid leave and holidays.

12 4. "Part-time job" means a regular, nonseasonal part-time position in which
13 an individual, as a condition of employment, is required to work fewer than 2,080
14 hours per year, including paid leave and holidays.

15 5. "Veteran" means a person who is verified by the department of veteran
16 affairs to have served on active duty under honorable conditions in the U.S. armed
17 forces, in forces incorporated as part of the U.S. armed forces, in the national guard,
18 or in a reserve component of the U.S. armed forces.

19 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
20 taxable years beginning after December 31, 2011, a claimant may claim as a credit
21 against the tax imposed under s. 71.02, up to the amount of the tax, an amount equal
22 to any of the following:

23 1. Subject to par. (c) 4., for each disabled veteran the claimant hires in the
24 taxable year to work a full-time job at the claimant's business in this state, \$4,000

1 in the taxable year in which the disabled veteran is hired and \$2,000 in each of the
2 3 taxable years following the taxable year in which the disabled veteran is hired.

3 2. Subject to par. (c) 4., for each disabled veteran the claimant hires in the
4 taxable year to work a part-time job at the claimant's business in this state, \$2,000
5 in the taxable year in which the disabled veteran is hired and \$1,000 in each of the
6 3 taxable years following the taxable year in which the disabled veteran is hired.

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

15 2. No credit may be claimed under this subsection in any taxable year in which
16 the disabled veteran voluntarily or involuntarily leaves his or her employment with
17 the claimant.

18 3. A claimant may claim a credit under this subsection only for hiring a disabled
19 veteran who has received unemployment compensation benefits for at least one week
20 prior to being hired by the claimant and who was eligible to receive such benefits at
21 the time the benefits were paid.

22 4. With regard to a credit claimed under par. (b) 2., the amount that the
23 claimant may claim is determined as follows:

24 a. Divide the number of hours that the disabled veteran worked for the
25 claimant during the taxable year by 2,080.

1 b. Multiply the amount of the credit under par. (b) 2., as appropriate, by the
2 number determined under subd. 4. a.

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

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

6 71.10 (4) (cq) Veteran employment credit under s. 71.07 (6n).

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

9 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
10 (2dj), (2dL), (2dm), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s),
11 (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5n), (5r), (5rm), (6n), and (8r) and passed
12 through to partners shall be added to the partnership's income.

13 **SECTION 1f.** 71.26 (2) (a) 4. of the statutes, as affected by 2011 Wisconsin Act
14 32, is amended to read:

15 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dd),
16 (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r),
17 (3rm), (3rn), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5n), (5r), (5rm), (6n), (8r),
18 and (9s) and not passed through by a partnership, limited liability company, or
19 tax-option corporation that has added that amount to the partnership's, limited
20 liability company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k)
21 (g).

22 **SECTION 1g.** 71.28 (6n) of the statutes is created to read:

23 71.28 (6n) VETERAN EMPLOYMENT CREDIT. (a) *Definitions.* In this subsection:

24 1. "Claimant" means a veteran who files a claim under this subsection.

1 2. “Disabled veteran” means a veteran who is verified by the department of
2 veteran affairs to have a service-connected disability rating of at least 50 percent
3 under 38 USC 1114 or 1134.

4 3. “Full-time job” means a regular, nonseasonal full-time position in which an
5 individual, as a condition of employment, is required to work at least 2,080 hours per
6 year, including paid leave and holidays.

7 4. “Part-time job” means a regular, nonseasonal part-time position in which
8 an individual, as a condition of employment, is required to work fewer than 2,080
9 hours per year, including paid leave and holidays.

10 5. “Veteran” means a person who is verified by the department of veteran
11 affairs to have served on active duty under honorable conditions in the U.S. armed
12 forces, in forces incorporated as part of the U.S. armed forces, in the national guard,
13 or in a reserve component of the U.S. armed forces.

14 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
15 taxable years beginning after December 31, 2011, a claimant may claim as a credit
16 against the tax imposed under s. 71.23, up to the amount of the tax, an amount equal
17 to any of the following:

18 1. For each disabled veteran the claimant hires in the taxable year to work a
19 full-time job at the claimant’s business in this state, \$4,000 in the taxable year in
20 which the disabled veteran is hired and \$2,000 in each of the 3 taxable years
21 following the taxable year in which the disabled veteran is hired.

22 2. Subject to par. (c) 4., for each disabled veteran the claimant hires in the
23 taxable year to work a part-time job at the claimant’s business in this state, \$2,000
24 in the taxable year in which the disabled veteran is hired and \$1,000 in each of the
25 3 taxable years following the taxable year in which the disabled veteran is hired.

1 (c) *Limitations.* 1. 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 hiring of disabled veterans, as
4 described under par. (b). A partnership, limited liability company, or tax-option
5 corporation shall compute the amount of credit that each of its partners, members,
6 or shareholders may claim and shall provide that information to each of them.
7 Partners, members of limited liability companies, and shareholders of tax-option
8 corporations may claim the credit in proportion to their ownership interests.

9 2. No credit may be claimed under this subsection in any taxable year in which
10 the disabled veteran voluntarily or involuntarily leaves his or her employment with
11 the claimant.

12 3. A claimant may claim a credit under this subsection only for hiring a disabled
13 veteran who has received unemployment compensation benefits for at least one week
14 prior to being hired by the claimant and who was eligible to receive such benefits at
15 the time the benefits were paid.

16 4. With regard to a credit claimed under par. (b) 2., the amount that the
17 claimant may claim is determined as follows:

18 a. Divide the number of hours that the disabled veteran worked for the
19 claimant during the taxable year by 2,080.

20 b. Multiply the amount of the credit under par. (b) 2., as appropriate, by the
21 number determined under subd. 4. a.

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

24 **SECTION 1h.** 71.30 (3) (dp) of the statutes is created to read:

25 71.30 (3) (dp) Veteran employment credit under s. 71.28 (6n).

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

3 71.34 **(1k)** (g) An addition shall be made for credits computed by a tax-option
4 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy),
5 (3), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j),
6 (5k), (5n), (5r), (5rm), (6n), and (8r) and passed through to shareholders.

7 **SECTION 1k.** 71.45 (2) (a) 10. of the statutes, as affected by 2011 Wisconsin Act
8 32, is amended to read:

9 71.45 **(2)** (a) 10. By adding to federal taxable income the amount of credit
10 computed under s. 71.47 (1dd) to (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn),
11 (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5n), (5r), (5rm), (6n), (8r), and (9s) and not
12 passed through by a partnership, limited liability company, or tax-option
13 corporation that has added that amount to the partnership's, limited liability
14 company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g) and
15 the amount of credit computed under s. 71.47 (1), (3), (3t), (4), (4m), and (5).

16 **SECTION 1L.** 71.47 (6n) of the statutes is created to read:

17 71.47 **(6n)** VETERAN EMPLOYMENT CREDIT. (a) *Definitions.* In this subsection:

- 18 1. "Claimant" means a veteran who files a claim under this subsection.
- 19 2. "Disabled veteran" means a veteran who is verified by the department of
20 veteran affairs to have a service-connected disability rating of at least 50 percent
21 under 38 USC 1114 or 1134.
- 22 3. "Full-time job" means a regular, nonseasonal full-time position in which an
23 individual, as a condition of employment, is required to work at least 2,080 hours per
24 year, including paid leave and holidays.

1 4. “Part-time job” means a regular, nonseasonal part-time position in which
2 an individual, as a condition of employment, is required to work fewer than 2,080
3 hours per year, including paid leave and holidays.

4 5. “Veteran” means a person who is verified by the department of veteran
5 affairs to have served on active duty under honorable conditions in the U.S. armed
6 forces, in forces incorporated as part of the U.S. armed forces, in the national guard,
7 or in a reserve component of the U.S. armed forces.

8 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
9 taxable years beginning after December 31, 2011, a claimant may claim as a credit
10 against the tax imposed under s. 71.43, up to the amount of the tax, an amount equal
11 to any of the following:

12 1. For each disabled veteran the claimant hires in the taxable year to work a
13 full-time job at the claimant’s business in this state, \$4,000 in the taxable year in
14 which the disabled veteran is hired and \$2,000 in each of the 3 taxable years
15 following the taxable year in which the disabled veteran is hired.

16 2. Subject to par. (c) 4., for each disabled veteran the claimant hires in the
17 taxable year to work a part-time job at the claimant’s business in this state, \$2,000
18 in the taxable year in which the disabled veteran is hired and \$1,000 in each of the
19 3 taxable years following the taxable year in which the disabled veteran is hired.

20 (c) *Limitations.* 1. Partnerships, limited liability companies, and tax-option
21 corporations may not claim the credit under this subsection, but the eligibility for,
22 and the amount of, the credit are based on their hiring of disabled veterans, as
23 described under par. (b). A partnership, limited liability company, or tax-option
24 corporation shall compute the amount of credit that each of its partners, members,
25 or shareholders may claim and shall provide that information to each of them.

1 Partners, members of limited liability companies, and shareholders of tax-option
2 corporations may claim the credit in proportion to their ownership interests.

3 2. No credit may be claimed under this subsection in any taxable year in which
4 the disabled veteran voluntarily or involuntarily leaves his or her employment with
5 the claimant.

6 3. A claimant may claim a credit under this subsection only for hiring a disabled
7 veteran who has received unemployment compensation benefits for at least one week
8 prior to being hired by the claimant and who was eligible to receive such benefits at
9 the time the benefits were paid.

10 4. With regard to a credit claimed under par. (b) 2., the amount that the
11 claimant may claim is determined as follows:

12 a. Divide the number of hours that the disabled veteran worked for the
13 claimant during the taxable year by 2,080.

14 b. Multiply the amount of the credit under par. (b) 2., as appropriate, by the
15 number determined under subd. 4. a.

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

18 **SECTION 1m.** 71.49 (1) (dp) of the statutes is created to read:

19 71.49 (1) (dp) Veteran employment credit under s. 71.47 (6n).

20 **SECTION 1n.** 77.92 (4) of the statutes, as affected by 2011 Wisconsin Act 32, is
21 amended to read:

22 77.92 (4) "Net business income," with respect to a partnership, means taxable
23 income as calculated under section 703 of the Internal Revenue Code; plus the items
24 of income and gain under section 702 of the Internal Revenue Code, including taxable
25 state and municipal bond interest and excluding nontaxable interest income or

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

13 **4.** Page 3, line 1: delete “**SECTION 1**” and substitute “**SECTION 1p**”.

14 **5.** Page 6, line 7: after that line insert:

15 “**SECTION 10m. Nonstatutory provisions.**

16 (1) JOINT FINANCE REVIEW. No later than June 30, 2013, the department of
17 workforce development, in conjunction with the department of revenue, shall submit
18 to the joint committee on finance a report describing the impact of the tax credits
19 under sections 71.07 (6n), 71.28 (6n), and 71.47 (6n) of the statutes, as created by this
20 act, on unemployed veterans in this state and shall make a recommendation to the
21 committee as to whether the tax credits should continue. The report shall also
22 specify the number and type of businesses that have claimed the credits under
23 sections 71.07 (6n), 71.28 (6n), and 71.47 (6n) of the statutes, as created by this act.
24 If the cochairpersons of the committee do not notify the department of workforce

1 development and the department of revenue within 14 working days after the
2 submittal date of the report that the committee has scheduled a meeting for the
3 purpose of reviewing the report's recommendation, the recommendation may be
4 implemented. If, within 14 working days after the submittal date of the report, the
5 cochairpersons of the committee notify the department of workforce development
6 and the department of revenue that the committee has scheduled a meeting for the
7 purpose of reviewing the recommendation, the recommendation may be
8 implemented only upon approval of the committee.”.

9 **6.** Page 6, line 9: delete “This act” and substitute “The treatment of sections
10 321.60 (1) (c), (2), (2m), (3) (intro.), (a), (b), and (c), (4), and (5) and 440.09 of the
11 statutes”.

12 (END)