



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-0170/P1
JK:jld:jf

DOA:.....Stinebrink, BB0016 – Dairy manufacturing facility credit for dairy cooperatives

FOR 2011-13 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

Under current law, a person may claim an income and franchise tax credit equal to 10 percent of the amount the person paid in the taxable year to modernize or expand the person's dairy manufacturing operation in this state. The aggregate amount of the credit that a person may claim is \$200,000. Partnerships, limited liability companies, tax-option corporations, and dairy cooperatives may not claim the credit, but partners, members, and shareholders of such entities may claim the credit based on the amounts paid by the entities. Under current law, the aggregate amount of credits that a partnership, limited liability company, tax-option corporation, or dairy cooperative may compute for its partners, members, or shareholders is \$200,000 for each of the entity's dairy manufacturing facilities.

Under this bill, only a dairy cooperative may compute its aggregate credit amount as \$200,000 for each of its dairy manufacturing facilities.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

SECTION 1. 71.07 (3p) (c) 3. of the statutes is amended to read:

71.07 **(3p)** (c) 3. Partnerships, limited liability companies, tax-option corporations, and dairy cooperatives may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit are based on their payment of expenses under par. (b), except that the aggregate amount of credits that ~~the entity~~ a dairy cooperative may compute shall not exceed \$200,000 for each of the ~~entity's~~ cooperative's dairy manufacturing facilities. A partnership, limited liability company, tax-option corporation, or dairy cooperative shall compute the amount of credit that each of its partners, members, or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interest. Members of a dairy cooperative may claim the credit in proportion to the amount of milk that each member delivers to the dairy cooperative, as determined by the dairy cooperative.

SECTION 2. 71.28 (3p) (c) 3. of the statutes is amended to read:

71.28 **(3p)** (c) 3. Partnerships, limited liability companies, tax-option corporations, and dairy cooperatives may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit are based on their payment of expenses under par. (b), except that the aggregate amount of credits that ~~the entity~~ a dairy cooperative may compute shall not exceed \$200,000 for each of the ~~entity's~~ cooperative's dairy manufacturing facilities. A partnership, limited liability company, tax-option corporation, or dairy cooperative shall compute the amount of credit that each of its partners, members, or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit in

proportion to their ownership interest. Members of a dairy cooperative may claim the credit in proportion to the amount of milk that each member delivers to the dairy cooperative, as determined by the dairy cooperative.

SECTION 3. 71.47 (3p) (c) 3. of the statutes is amended to read:

71.47 (3p) (c) 3. Partnerships, limited liability companies, tax-option corporations, and dairy cooperatives may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit are based on their payment of expenses under par. (b), except that the aggregate amount of credits that ~~the entity~~ a dairy cooperative may compute shall not exceed \$200,000 for each of the entity's cooperative's dairy manufacturing facilities. A partnership, limited liability company, tax-option corporation, or dairy cooperative shall compute the amount of credit that each of its partners, members, or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interest. Members of a dairy cooperative may claim the credit in proportion to the amount of milk that each member delivers to the dairy cooperative, as determined by the dairy cooperative.

SECTION 9341. Initial applicability; Revenue.

(1) DAIRY MANUFACTURING FACILITY INVESTMENT CREDIT. The treatment of sections 71.07 (3p) (c) 3., 71.28 (3p) (c) 3., and 71.47 (3p) (c) 3. of the statutes first applies to taxable years beginning after December 31, 2010.

(END)