



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-0231/P3
MPG:eev:rs

DOA:.....Ley, BB0152 - Eliminate enterprise zone tax credit 10 percent capital investment requirement

FOR 2013-2015 BUDGET -- NOT READY FOR INTRODUCTION

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

Analysis by the Legislative Reference Bureau
COMMERCE AND ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT

Under current law, WEDC administers an enterprise zone tax credit program. Under that program, WEDC may designate certain areas within Wisconsin as enterprise zones, and WEDC may certify a business to receive income and franchise tax credits if, among other things, the business expands operations in an enterprise zone. WEDC may certify a business for tax credits that expands its operations in an enterprise zone if the business makes a capital investment in property located in the enterprise zone the value of which is equal to at least 10 percent of the business's gross revenues in the preceding tax year attributable to business conducted in Wisconsin, and the business satisfies other specific requirements.

This bill eliminates the requirement that the value of a business's capital investment in property located in an enterprise zone must equal at least 10 percent of the business's gross revenues in the preceding tax year attributable to business conducted in Wisconsin in order for the business to qualify for enterprise zone tax credits based on that capital investment. The bill replaces that requirement with a requirement that the business make a significant capital investment, as defined under policies and procedures developed by WEDC, in property located in the enterprise zone.

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. 238.399 (5) (c) 2. (intro.) of the statutes is amended to read:

238.399 (5) (c) 2. (intro.) The business makes a significant capital investment in property located in the enterprise zone and all of the following apply:

SECTION 2. 238.399 (5) (c) 2. a. of the statutes is repealed.

SECTION 3. 238.399 (6) (d) of the statutes is amended to read:

238.399 (6) (d) The corporation may require a business to repay any tax benefits the business claims for a year in which the business failed to maintain employment ~~or capital investment~~ levels or a significant capital investment in property required by an agreement under sub. (5) (c).

SECTION 4. 238.399 (6) (g) (intro.) of the statutes is amended to read:

238.399 (6) (g) (intro.) The corporation shall adopt ~~rules~~ policies and procedures specifying all of the following:

SECTION 5. 238.399 (6) (g) 2m. of the statutes is created to read:

238.399 (6) (g) 2m. The definition of “significant capital investment” for purposes of sub. (5).

SECTION 9350. Initial applicability; Wisconsin Economic Development Corporation.

(1) CHANGES TO ENTERPRISE ZONE CERTIFICATIONS. The treatment of section 238.399 (5) (c) 2. (intro.) and a. and (6) (d) of the statutes first applies to taxable years beginning on January 1, 2013.

(END)