



1995 SENATE BILL 122

March 24, 1995 - Introduced by Senators ZIEN, RUDE, MOEN, PETAK, SCHULTZ, DRZEWIECKI, FARROW and CLAUSING, cosponsored by Representatives KREIBICH, ZUKOWSKI, MUSSER, PLOMBON, WILDER, BALDUS and GRONEMUS. Referred to Joint committee on Finance.

1 **AN ACT** *to renumber and amend* 560.795 (3) (a); *to amend* 71.28 (1di) (i), 71.28
2 (1dj) (i), 71.28 (1dL) (i), 71.28 (1ds) (i), 71.28 (4) (am) 2., 560.795 (2) (a) and
3 560.795 (2) (b) 1.; and *to create* 560.795 (1) (c), 560.795 (2) (b) 3. and 560.795
4 (3) (a) 2. of the statutes; **relating to:** establishing a development opportunity
5 zone.

Analysis by the Legislative Reference Bureau

Under this bill, an area in the city of Eau Claire is designated as a development opportunity zone. For corporate income and franchise tax purposes, the development zones investment credit, the development zones jobs credit, the development zones location credit, the development zones sales tax credit and the development zones additional research credit may be claimed by a person conducting economic activity in a development opportunity zone for the period of time that an area is designated as a development opportunity zone. Under the bill, the area in the city of Eau Claire is designated as a development opportunity zone for 3 years, but the designation may expire earlier if the tax benefit limit is reached earlier. The bill limits tax benefits for the area to \$3,000,000. A person desiring to claim tax benefits must first submit a project plan to the department of development. Additionally, a person's entitlement to tax benefits may be revoked under certain circumstances.

Under current law, an area in the city of Beloit and an area in the city of West Allis are also designated as development opportunity zones for 3 years. Tax benefits for the area in West Allis are limited to \$3,000,000 and the bill reduces the limit on tax benefits for the area in Beloit from \$10,000,000 to \$7,000,000.

For further information see the *state and local* 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:

1 **SECTION 1.** 71.28 (1di) (i) of the statutes is amended to read:

2 71.28 **(1di)** (i) The development zones credit under this subsection, as it applies
3 to a person certified under s. 560.765 (3), applies to a corporation that conducts
4 economic activity in a development opportunity zone under s. 560.795 (1) and that
5 is entitled to tax benefits under s. 560.795 (3), subject to the limits under s. 560.795
6 (2). A development opportunity zone credit under this paragraph may be calculated
7 using expenses incurred by a claimant beginning on ~~April 23, 1994~~ the effective date
8 under s. 560.795 (2) (a) of the development opportunity zone designation of the area
9 in which the claimant conducts economic activity.

10 **SECTION 2.** 71.28 (1dj) (i) of the statutes is amended to read:

11 71.28 **(1dj)** (i) The development zones credit under this subsection, as it applies
12 to a person certified under s. 560.765 (3), applies to a corporation that conducts
13 economic activity in a development opportunity zone under s. 560.795 (1) and that
14 is entitled to tax benefits under s. 560.795 (3), subject to the limits under s. 560.795
15 (2). A development opportunity zone credit under this paragraph may be calculated
16 using expenses incurred by a claimant beginning on ~~April 23, 1994~~ the effective date
17 under s. 560.795 (2) (a) of the development opportunity zone designation of the area
18 in which the claimant conducts economic activity.

19 **SECTION 3.** 71.28 (1dL) (i) of the statutes is amended to read:

20 71.28 **(1dL)** (i) The development zones credit under this subsection, as it
21 applies to a person certified under s. 560.765 (3), applies to a corporation that

1 conducts economic activity in a development opportunity zone under s. 560.795 (1)
2 and that is entitled to tax benefits under s. 560.795 (3), subject to the limits under
3 s. 560.795 (2). A development opportunity zone credit under this paragraph may be
4 calculated using expenses incurred by a claimant beginning on ~~April 23, 1994~~ the
5 effective date under s. 560.795 (2) (a) of the development opportunity zone
6 designation of the area in which the claimant conducts economic activity.

7 **SECTION 4.** 71.28 (1ds) (i) of the statutes is amended to read:

8 71.28 (1ds) (i) The development zones credit under this subsection, as it applies
9 to a person certified under s. 560.765 (3), applies to a corporation that conducts
10 economic activity in a development opportunity zone under s. 560.795 (1) and that
11 is entitled to tax benefits under s. 560.795 (3), subject to the limits under s. 560.795
12 (2). A development opportunity zone credit under this paragraph may be calculated
13 using expenses incurred by a claimant beginning on ~~April 23, 1994~~ the effective date
14 under s. 560.795 (2) (a) of the development opportunity zone designation of the area
15 in which the claimant conducts economic activity.

16 **SECTION 5.** 71.28 (4) (am) 2. of the statutes is amended to read:

17 71.28 (4) (am) 2. The development zones credit under subd. 1., as it applies to
18 a person certified under s. 560.765 (3), applies to a corporation that conducts
19 economic activity in a development opportunity zone under s. 560.795 (1) and that
20 is entitled to tax benefits under s. 560.795 (3), subject to the limits under s. 560.795
21 (2). A development opportunity zone credit under this subdivision may be calculated
22 using expenses incurred by a claimant beginning on ~~April 23, 1994~~ the effective date
23 under s. 560.795 (2) (a) of the development opportunity zone designation of the area
24 in which the claimant conducts economic activity.

25 **SECTION 6.** 560.795 (1) (c) of the statutes is created to read:

1 560.795 (1) (c) An area in the city of Eau Claire, the legal description of which
2 is provided to the department by the local governing body of the city of Eau Claire.

3 **SECTION 7.** 560.795 (2) (a) of the statutes is amended to read:

4 560.795 (2) (a) Except as provided in par. (d), the designation of each area under
5 sub. (1) as a development opportunity zone shall be effective for 36 months, with the
6 designation of the areas under sub. (1) (a) and (b) beginning on April 23, 1994, and
7 the designation of the area under sub. (1) (c) beginning on the effective date of this
8 paragraph [revisor inserts date].

9 **SECTION 8.** 560.795 (2) (b) 1. of the statutes is amended to read:

10 560.795 (2) (b) 1. The limit for tax benefits for the development opportunity
11 zone under sub. (1) (a) is ~~\$10,000,000~~ \$7,000,000.

12 **SECTION 9.** 560.795 (2) (b) 3. of the statutes is created to read:

13 560.795 (2) (b) 3. The limit for tax benefits for the development opportunity
14 zone under sub. (1) (c) is \$3,000,000.

15 **SECTION 10.** 560.795 (3) (a) of the statutes is renumbered 560.795 (3) (a) 1. and
16 amended to read:

17 560.795 (3) (a) 1. Any corporation that is conducting or that intends to conduct
18 economic activity in a development opportunity zone under sub. (1) (a) or (b) and
19 that, in conjunction with the local governing body of the city in which the
20 development opportunity zone is located, submits a project plan as described in par.
21 (b) to the department no later than 6 months after April 23, 1994, shall be entitled
22 to claim tax benefits while the area is designated as a development opportunity zone.

23 **SECTION 11.** 560.795 (3) (a) 2. of the statutes is created to read:

24 560.795 (3) (a) 2. Any corporation that is conducting or that intends to conduct
25 economic activity in a development opportunity zone under sub. (1) (c) and that, in

1 conjunction with the local governing body of the city in which the development
2 opportunity zone is located, submits a project plan as described in par. (b) to the
3 department no later than 6 months after the effective date of this subdivision
4 [revisor inserts date], shall be entitled to claim tax benefits while the area is
5 designated as a development opportunity zone.

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(END)