



2003 ASSEMBLY BILL 704

December 17, 2003 – Introduced by Representatives WIECKERT, SCHOOFF, F. LASEE, OLSEN, OTT, TOWNSEND, HINES, OWENS, JESKEWITZ, BIES, WEBER, GIELOW and LOTHIAN, cosponsored by Senators REYNOLDS, LASSA, ROESSLER and STEPP. Referred to Committee on Ways and Means.

1 **AN ACT to amend** 71.07 (2), 71.07 (2dr) (f), 71.07 (3s) (c) 1., 71.28 (1) (b), 71.28
2 (3) (c) 1., 71.28 (4) (f), 71.47 (1) (b), 71.47 (3) (c) 1. and 71.47 (4) (f) of the statutes;
3 **relating to:** extending tax credit carry-over provisions for income tax and
4 franchise tax purposes.

Analysis by the Legislative Reference Bureau

Under current law, generally, if an income or franchise tax credit claimed by a business exceeds the tax liability of the business for the taxable year, the state will not issue a refund check, but the business may claim the unused balance of the credit against its tax liability for up to 15 subsequent taxable years. Under this bill, a business may claim the unused balance of any income or franchise tax credit against its tax liability for up to 20 subsequent taxable years. The bill applies to all credits related to development zones, to the community development authority credit, to the research credit, to the supplemental federal historic rehabilitation credit, and to the manufacturing sales tax credit.

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:

5 **SECTION 1.** 71.07 (2) of the statutes is amended to read:

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1 71.07 (2) COMMUNITY DEVELOPMENT FINANCE AUTHORITY CREDIT. Any individual
2 receiving a credit under s. 71.09 (12m), 1985 stats., may carry forward to the next
3 succeeding ~~15~~ 20 taxable years the amount of the credit not offset against taxes for
4 the year of purchase to the extent not offset by those taxes otherwise due in all
5 intervening years between the year for which the credit was computed and the year
6 for which the carry-forward is claimed.

7 **SECTION 2.** 71.07 (2dr) (f) of the statutes is amended to read:

8 71.07 (2dr) (f) *Carry-over.* If a credit computed under this subsection is not
9 entirely offset against Wisconsin income or franchise taxes otherwise due, the
10 unused balance may be carried forward and credited against Wisconsin income or
11 franchise taxes otherwise due for the following ~~15~~ 20 taxable years to the extent not
12 offset by these taxes otherwise due in all intervening years between the year in which
13 the expense was incurred and the year in which the carry-forward credit is claimed.

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

15 71.07 (3s) (c) 1. The credit under par. (b), including any credits carried over,
16 may be offset only against the amount of the tax imposed upon or measured by the
17 business operations of the claimant in which the fuel and electricity are consumed.
18 If the credit computed is not entirely offset against taxes otherwise due, the unused
19 balance shall be carried forward and credited against taxes otherwise due for the
20 following ~~15~~ 20 taxable years to the extent not offset by taxes otherwise due in all
21 intervening years between the year in which the expense was incurred and the year
22 in which the carry-forward credit is claimed.

23 **SECTION 4.** 71.28 (1) (b) of the statutes is amended to read:

24 71.28 (1) (b) Any corporation receiving a credit under this subsection may carry
25 forward to the next succeeding ~~15~~ 20 taxable years the amount of the credit not offset

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1 against taxes for the year of purchase to the extent not offset by those taxes otherwise
2 due in all intervening years between the year for which the credit was computed and
3 the year for which the carry-forward is claimed.

4 **SECTION 5.** 71.28 (3) (c) 1. of the statutes is amended to read:

5 71.28 (3) (c) 1. If the credit computed under par. (b) is not entirely offset against
6 Wisconsin income or franchise taxes otherwise due, the unused balance shall be
7 carried forward and credited against Wisconsin income or franchise taxes otherwise
8 due for the following ~~15~~ 20 taxable years to the extent not offset by these taxes
9 otherwise due in all intervening years between the year in which the expense was
10 incurred and the year in which the carry-forward credit is claimed.

11 **SECTION 6.** 71.28 (4) (f) of the statutes is amended to read:

12 71.28 (4) (f) *Carry-over.* If a credit computed under this subsection is not
13 entirely offset against Wisconsin income or franchise taxes otherwise due, the
14 unused balance may be carried forward and credited against Wisconsin income or
15 franchise taxes otherwise due for the following ~~15~~ 20 taxable years to the extent not
16 offset by these taxes otherwise due in all intervening years between the year in which
17 the expense was incurred and the year in which the carry-forward credit is claimed.

18 **SECTION 7.** 71.47 (1) (b) of the statutes is amended to read:

19 71.47 (1) (b) Any corporation receiving a credit under this subsection may carry
20 forward to the next succeeding ~~15~~ 20 taxable years the amount of the credit not offset
21 against taxes for the year of purchase to the extent not offset by those taxes otherwise
22 due in all intervening years between the year for which the credit was computed and
23 the year for which the carry-forward is claimed.

24 **SECTION 8.** 71.47 (3) (c) 1. of the statutes is amended to read:

