



State of Wisconsin
2021 - 2022 LEGISLATURE

LRB-5213/1
JK:amn

2021 SENATE BILL 834

January 6, 2022 - Introduced by Senators ROTH, TESTIN and PFAFF, cosponsored by Representatives NOVAK, SWEARINGEN, TRANEL, ARMSTRONG, CONLEY, EDMING, KURTZ, PENTERMAN, J. RODRIGUEZ, SNYDER, SPIROS, STEFFEN, TITTL, TUSLER, SCHRAA and VRUWINK. Referred to Committee on Financial Institutions and Revenue.

1 **AN ACT to create** 71.05 (6) (a) 30., 71.07 (4t), 71.10 (4) (ct), 71.26 (3) (e) 5., 71.28
2 (4t), 71.30 (3) (ct), 71.45 (2) (a) 24., 71.47 (4t) and 71.49 (1) (ct) of the statutes;
3 **relating to:** creating a tax credit for local media advertising.

Analysis by the Legislative Reference Bureau

This bill creates an income and franchise tax credit for businesses that purchase advertising in local media outlets. The credit equals 50 percent of the advertising expenditures, limited to a maximum credit of \$5,000. The credit may be claimed only by businesses with fewer than 100 full-time employees and less than \$10,000,000 in revenue. The bill defines "local media outlet" to mean a newspaper in Wisconsin that has at least 25 percent news content, a broadcast radio or television station that is licensed by the Federal Communications Commission to serve a local community in Wisconsin, or a Wisconsin-based Internet site that is meant to inform users of news and events in a local community in Wisconsin.

Under the bill, if the business deducted the advertising expenditures under federal law, the business must add the amount deducted to its Wisconsin income in order to claim the credit. The bill provides that the credit may be claimed only for taxable years beginning after December 31, 2021, and before January 1, 2027.

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:

SENATE BILL 834**SECTION 1**

1 **SECTION 1.** 71.05 (6) (a) 30. of the statutes is created to read:

2 71.05 **(6)** (a) 30. For a taxpayer claiming the credit under s. 71.07 (4t), the
3 expenditures taken into account to claim the credit under s. 71.07 (4t) if the
4 expenditures were deducted under the Internal Revenue Code.

5 **SECTION 2.** 71.07 (4t) of the statutes is created to read:

6 71.07 **(4t)** LOCAL MEDIA ADVERTISING TAX CREDIT. (a) *Definitions.* In this
7 subsection:

8 1. "Claimant" means an individual who, in the taxable year to which the claim
9 under this subsection relates, operates a business that has fewer than 100 full-time
10 employees and less than \$10,000,000 in revenue.

11 2. "Local media outlet" means any of the following:

12 a. A newspaper in this state that has at least 25 percent news content.

13 b. A broadcast radio or television station that is licensed by the federal
14 communications commission to serve a local community in this state.

15 c. An Internet site based in this state that is meant to inform users of news and
16 events in a local community in this state.

17 (b) *Filing claims.* For taxable years beginning after December 31, 2021, and
18 before January 1, 2027, a claimant may claim as a credit against the taxes imposed
19 under s. 71.02, up to the amount of the tax, an amount equal to 50 percent of the
20 expenditures paid or incurred in the taxable year by the claimant in the ordinary
21 course of a trade or business for advertising in a local media outlet.

22 (c) *Limitations.* 1. The maximum amount of expenditures that may be taken
23 into account under par. (b) in a taxable year is \$10,000.

24 2. Partnerships, limited liability companies, and tax-option corporations may
25 not claim the credit under this subsection, but the eligibility for, and the amount of,

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1 the credit are based on their payment of amounts under par. (b). A partnership,
2 limited liability company, or tax-option corporation shall compute the amount of
3 credit that each of its partners, members, or shareholders may claim and shall
4 provide that information to each of them. The partners, members, and shareholders
5 may claim the credit in proportion to their ownership interests.

6 3. No credit may be claimed under this subsection unless the claimant makes
7 the adjustment under s. 71.05 (6) (a) 30. in the taxable year to which the claim
8 relates.

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

11 **SECTION 3.** 71.10 (4) (ct) of the statutes is created to read:

12 71.10 (4) (ct) Local media advertising tax credit under s. 71.07 (4t).

13 **SECTION 4.** 71.26 (3) (e) 5. of the statutes is created to read:

14 71.26 (3) (e) 5. For a taxpayer claiming the credit under s. 71.28 (4t), so that
15 the expenditures taken into account to claim the credit under s. 71.28 (4t) may not
16 be deducted as provided under the Internal Revenue Code.

17 **SECTION 5.** 71.28 (4t) of the statutes is created to read:

18 71.28 (4t) LOCAL MEDIA ADVERTISING TAX CREDIT. (a) *Definitions.* In this
19 subsection:

20 1. "Claimant" means a corporation that, in the taxable year to which the claim
21 under this subsection relates, has fewer than 100 full-time employees and less than
22 \$10,000,000 in revenue.

23 2. "Local media outlet" means any of the following:

24 a. A newspaper in this state that has at least 25 percent news content.

SENATE BILL 834**SECTION 5**

1 b. A broadcast radio or television station that is licensed by the federal
2 communications commission to serve a local community in this state.

3 c. An Internet site based in this state that is meant to inform users of news and
4 events in a local community in this state.

5 (b) *Filing claims.* For taxable years beginning after December 31, 2021, and
6 before January 1, 2027, a claimant may claim as a credit against the taxes imposed
7 under s. 71.23, up to the amount of the tax, an amount equal to 50 percent of the
8 expenditures paid or incurred in the taxable year by the claimant in the ordinary
9 course of a trade or business for advertising in a local media outlet.

10 (c) *Limitations.* 1. The maximum amount of expenditures that may be taken
11 into account under par. (b) in a taxable year is \$10,000.

12 2. Partnerships, limited liability companies, and tax-option corporations may
13 not claim the credit under this subsection, but the eligibility for, and the amount of,
14 the credit are based on their payment of amounts under par. (b). A partnership,
15 limited liability company, or tax-option corporation shall compute the amount of
16 credit that each of its partners, members, or shareholders may claim and shall
17 provide that information to each of them. The partners, members, and shareholders
18 may claim the credit in proportion to their ownership interests.

19 3. No credit may be claimed under this subsection unless the claimant makes
20 the adjustment under s. 71.26 (3) (e) 5. in the taxable year to which the claim relates.

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

23 **SECTION 6.** 71.30 (3) (ct) of the statutes is created to read:

24 71.30 (3) (ct) Local media advertising tax credit under s. 71.28 (4t).

25 **SECTION 7.** 71.45 (2) (a) 24. of the statutes is created to read:

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1 71.45 (2) (a) 24. For a taxpayer claiming the credit under s. 71.47 (4t), by adding
2 to federal taxable income the expenditures taken into account to claim the credit
3 under s. 71.47 (4t) that were deducted under the Internal Revenue Code.

4 **SECTION 8.** 71.47 (4t) of the statutes is created to read:

5 71.47 (4t) LOCAL MEDIA ADVERTISING TAX CREDIT. (a) *Definitions.* In this
6 subsection:

7 1. “Claimant” means a corporation that, in the taxable year to which the claim
8 under this subsection relates, has fewer than 100 full-time employees and less than
9 \$10,000,000 in revenue.

10 2. “Local media outlet” means any of the following:

11 a. A newspaper in this state that has at least 25 percent news content.

12 b. A broadcast radio or television station that is licensed by the federal
13 communications commission to serve a local community in this state.

14 c. An Internet site based in this state that is meant to inform users of news and
15 events in a local community in this state.

16 (b) *Filing claims.* For taxable years beginning after December 31, 2021, and
17 before January 1, 2027, a claimant may claim as a credit against the taxes imposed
18 under s. 71.43, up to the amount of the tax, an amount equal to 50 percent of the
19 expenditures paid or incurred in the taxable year by the claimant in the ordinary
20 course of a trade or business for advertising in a local media outlet.

21 (c) *Limitations.* 1. The maximum amount of expenditures that may be taken
22 into account under par. (b) in a taxable year is \$10,000.

23 2. Partnerships, limited liability companies, and tax-option corporations may
24 not claim the credit under this subsection, but the eligibility for, and the amount of,
25 the credit are based on their payment of amounts under par. (b). A partnership,

SENATE BILL 834**SECTION 8**

1 limited liability company, or tax-option corporation shall compute the amount of
2 credit that each of its partners, members, or shareholders may claim and shall
3 provide that information to each of them. The partners, members, and shareholders
4 may claim the credit in proportion to their ownership interests.

5 3. No credit may be claimed under this subsection unless the claimant makes
6 the adjustment under s. 71.45 (2) (a) 24. in the taxable year to which the claim
7 relates.

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

10 **SECTION 9.** 71.49 (1) (ct) of the statutes is created to read:

11 71.49 (1) (ct) Local media advertising tax credit under s. 71.47 (4t).

12 (END)