



TERRY KATSMAS

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Date: September 18, 2019
To: Senate Committee on Agriculture, Revenue and Financial Institutions
From: Representative Terry Katsma
Re: Senate Bill 362: repealing obsolete refundable tax credits

Dear Chairman Marklein and committee members,

Thank you for convening a hearing on Senate Bill (SB) 362, which will complete the repeal—begun by my predecessors in the Legislature in 2013—of tax credits that may no longer be claimed.

As part of the 2013-15 state budget bill, in an effort to simplify Wisconsin's tax laws, the Legislature sunset seven refundable tax credits: the Meat Processing Facility Investment Credit; the Food Processing and Warehouse Investment Credit; the Film Production Company Investment Credit; the Film Production Services Credit; the Dairy Manufacturing Facility Investment Credit; the Beginning Farmer and Farm Asset Owner Credit; and the Woody Biomass Harvesting and Processing Credit. For the first six of these credits, time has now expired for taxpayers to claim them; for the seventh (the Woody Biomass Harvesting and Processing Credit), the deadline for taxpayers to claim the credit is April 15, 2020. This bill completes the repeal of these seven credits—effective immediately for the first six, and for the Woody Biomass Harvesting and Processing Credit, effective July 1, 2020.

This bill also deletes from the statutes a provision regarding how much money our state may pay to Illinois under income tax reciprocity for Tax Years 1998 and 1999. This provision has been obsolete, but remained in statute, for nearly 20 years.

SB 362 is about eight pages long when printed in size 12 font. But its effect will be to repeal approximately 19 pages of the tiny print—many thousands of words—that comprises our enormous statute books and which has literally zero usefulness any longer for taxpayers or for government. I applaud the efforts of the Legislature in recent years to simplify our tax laws; this bill is one more step in the direction of making taxation smaller, simpler and easier.

Thank you for your time and consideration of SB 362.



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Wisconsin and Upper Michigan**

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To: Senator Howard Marklein, Chair
Member of the Senate Committee on
Agriculture, Revenue & Financial Institutions

From: George Rouman, President

Date: Wednesday, September 18, 2019

Re: Testimony on Senate Bill 362
Request Amendment to Maintain Film Production Company Credits

Dear Senator Marklein and members of the Committee.

On behalf of the members of the National Association of Theatre Owners of Wisconsin and Upper Michigan, I am asking for you to please consider amending Senate Bill 362 to maintain Wisconsin Statute provisions relating to the film production company investment credit and film production services credit.

As committee proceedings are occurring today, our members and those of the entire Midwest are holding our annual regional conference in Lake Geneva. Quite literally, it's where Hollywood meets the Heartland. This is an event where the representatives of the film industry, vendors and theatre operators meet on policy and trade issues.

As president of the association, I attend numerous film industry meetings and conferences throughout the country and some internationally. Based on my years in this industry and seeing what other states and countries are doing to attract film productions to their regions as an investment toward economic development marketing and tourism – I believe it is time for Wisconsin policymakers to consider reinstating the tax credits.

As I understand it, the statutory language relating to the film production tax credits remains, however they cannot be used due to a sunset provision being added during the 2013-15 biennial budget (2013 Act 20). Specifically, the provisions states that *"no credit may be claimed under this subsection for taxable years beginning after December 31, 2013."*

I am not suggesting that this discussion be held here today nor in this legislation, but rather we are asking the authors and the committee to amend Senate Bill 362 to maintain the tax credit provision statutory language so that the overall policy discussion can occur. In essence, we are asking for a temporary reprieve.

On behalf of the National Association of Theatre Owners of Wisconsin and Upper Michigan, we appreciate your consideration of our request.

Thank you.

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