



State of Wisconsin  
2017 - 2018 LEGISLATURE

LRB-2412/1  
JK:amn

## 2017 ASSEMBLY BILL 177

March 20, 2017 - Introduced by Representatives BROSTOFF, SINICKI, GOYKE, KESSLER, BERCEAU, SARGENT and ZAMARRIPA, cosponsored by Senators C. LARSON, JOHNSON and L. TAYLOR. Referred to Committee on Workforce Development.

\*\*\*AUTHORS SUBJECT TO CHANGE\*\*\*

1     **AN ACT to amend** 71.05 (6) (a) 15., 71.21 (4) (a), 71.26 (2) (a) 4., 71.34 (1k) (g) and  
2             71.45 (2) (a) 10.; and **to create** 71.07 (8b), 71.10 (4) (cs), 71.28 (8b), 71.30 (3) (cs),  
3             71.47 (8b) and 71.49 (1) (cs) of the statutes; **relating to:** a tax credit for hiring  
4             certain apprentices from the Milwaukee Institute of Art and Design.

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### *Analysis by the Legislative Reference Bureau*

This bill allows a business to claim an income and franchise tax credit equal to \$2,500 for each employee who is employed through the Milwaukee Institute of Art and Design apprenticeship program funded by an American Apprenticeship Initiative grant through the United States Department of Labor. To claim the credit, the business must be located in this state and engaged in a design apprenticeship activity consistent with the purposes for which the school received the grant. The maximum amount of the credit that may be claimed for all claimants and all taxable years is \$750,000.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

5             **SECTION 1.** 71.05 (6) (a) 15. of the statutes is amended to read:

**ASSEMBLY BILL 177****SECTION 1**

1           71.05 **(6)** (a) 15. Except as provided under s. 71.07 (3p) (c) 5., the amount of the  
2 credits computed under s. 71.07 (2dm), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r),  
3 (3rm), (3rn), (3s), (3t), (3w), (3y), (4k), (4n), (5e), (5f), (5h), (5i), (5j), (5k), (5r), (5rm),  
4 (6n), (8b), and (8r) and not passed through by a partnership, limited liability  
5 company, or tax-option corporation that has added that amount to the partnership's,  
6 company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g).

7           **SECTION 2.** 71.07 (8b) of the statutes is created to read:

8           71.07 **(8b)** APPRENTICESHIP PROGRAM CREDIT. (a) *Definition.* In this subsection,  
9 “claimant” means a person who files a claim under this subsection.

10           (b) *Filing claims.* Subject to the limitations provided in this subsection, a  
11 claimant may claim a credit against the taxes imposed under s. 71.02, up to the  
12 amount of the tax, an amount equal to \$2,500 multiplied by the number of the  
13 claimant's employees who satisfy all of the following conditions:

14           1. In the taxable year for which the claimant claims a credit under this  
15 subsection, the employee is employed through the Milwaukee Institute of Art and  
16 Design apprentice program funded by an American apprenticeship initiative grant  
17 through the U.S. department of labor.

18           2. The employee is employed by a business owned by the claimant that is  
19 located in this state and that is engaged in a design apprenticeship activity  
20 consistent with the purposes for which the Milwaukee Institute of Art and Design  
21 received the grant described under subd. 1.

22           (c) *Limitations.* 1. No person may claim the credit under this subsection unless  
23 the person first applies for the credit with the department, in the manner prescribed  
24 by the department, and the department approves the credit.

**ASSEMBLY BILL 177****SECTION 2**

1           2. The total amount of the credits that claimants may claim under this  
2 subsection and ss. 71.28 (8b) and 71.47 (8b) is \$750,000. The department may adjust  
3 the amount of any credits claimed under this subsection and ss. 71.28 (8b) and 71.47  
4 (8b) at the time that applications are made under subd. 1. and ss. 71.28 (8b) (c) 1. and  
5 71.47 (8b) (c) 1. so that the limit under this subdivision is not exceeded.

6           3. Partnerships, limited liability companies, and tax-option corporations may  
7 not claim the credit under this subsection, but the eligibility for and the amount of  
8 the credit are based on their hiring of eligible employees described under par. (b).  
9 A partnership, limited liability company, or tax-option corporation shall compute  
10 the amount of credit that each of its partners, members, or shareholders may claim  
11 and shall provide that information to each of them. Partners, members of limited  
12 liability companies, and shareholders of tax-option corporations may claim the  
13 credit in proportion to their ownership interests.

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

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

17           71.10 (4) (cs) Apprenticeship program credit under s. 71.07 (8b).

18           **SECTION 4.** 71.21 (4) (a) of the statutes is amended to read:

19           71.21 (4) (a) The amount of the credits computed by a partnership under s.  
20 71.07 (2dm), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s), (3t), (3w),  
21 (3y), (4k), (4n), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), (8b), and (8r) and  
22 passed through to partners shall be added to the partnership's income.

23           **SECTION 5.** 71.26 (2) (a) 4. of the statutes is amended to read:

24           71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dm),  
25 (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3t), (3w), (5e), (5f), (5g), (5h),

**ASSEMBLY BILL 177****SECTION 5**

1 (5i), (5j), (5k), (5r), (5rm), (6n), (8b), (8r), and (9s) and not passed through by a  
2 partnership, limited liability company, or tax-option corporation that has added that  
3 amount to the partnership's, limited liability company's, or tax-option corporation's  
4 income under s. 71.21 (4) or 71.34 (1k) (g).

5 **SECTION 6.** 71.28 (8b) of the statutes is created to read:

6 71.28 **(8b)** APPRENTICESHIP PROGRAM CREDIT. (a) *Definition.* In this subsection,  
7 "claimant" means a person who files a claim under this subsection.

8 (b) *Filing claims.* Subject to the limitations provided in this subsection, a  
9 claimant may claim a credit against the taxes imposed under s. 71.23, up to the  
10 amount of the tax, an amount equal to \$2,500 multiplied by the number of the  
11 claimant's employees who satisfy all of the following conditions:

12 1. In the taxable year for which the claimant claims a credit under this  
13 subsection, the employee is employed through the Milwaukee Institute of Art and  
14 Design apprentice program funded by an American apprenticeship initiative grant  
15 through the U.S. department of labor.

16 2. The employee is employed by a business owned by the claimant that is  
17 located in this state and that is engaged in a design apprenticeship activity  
18 consistent with the purposes for which the Milwaukee Institute of Art and Design  
19 received the grant described under subd. 1.

20 (c) *Limitations.* 1. No person may claim the credit under this subsection unless  
21 the person first applies for the credit with the department, in the manner prescribed  
22 by the department, and the department approves the credit.

23 2. The total amount of the credits that claimants may claim under this  
24 subsection and ss. 71.07 (8b) and 71.47 (8b) is \$750,000. The department may adjust  
25 the amount of any credits claimed under this subsection and ss. 71.07 (8b) and 71.47

**ASSEMBLY BILL 177****SECTION 6**

1 (8b) at the time that applications are made under subd. 1. and ss. 71.07 (8b) (c) 1. and  
2 71.47 (8b) (c) 1. so that the limit under this subdivision is not exceeded.

3 3. Partnerships, limited liability companies, and tax-option corporations may  
4 not claim the credit under this subsection, but the eligibility for and the amount of  
5 the credit are based on their hiring of eligible employees described under par. (b).  
6 A partnership, limited liability company, or tax-option corporation shall compute  
7 the amount of credit that each of its partners, members, or shareholders may claim  
8 and shall provide that information to each of them. Partners, members of limited  
9 liability companies, and shareholders of tax-option corporations may claim the  
10 credit in proportion to their ownership interests.

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

13 **SECTION 7.** 71.30 (3) (cs) of the statutes is created to read:

14 71.30 (3) (cs) Apprenticeship program credit under s. 71.28 (8b).

15 **SECTION 8.** 71.34 (1k) (g) of the statutes is amended to read:

16 71.34 (1k) (g) An addition shall be made for credits computed by a tax-option  
17 corporation under s. 71.28 (1dm), (1dx), (1dy), (3), (3g), (3h), (3n), (3p), (3q), (3r),  
18 (3rm), (3rn), (3t), (3w), (3y), (4), (5), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n),  
19 (8b), and (8r) and passed through to shareholders.

20 **SECTION 9.** 71.45 (2) (a) 10. of the statutes is amended to read:

21 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit  
22 computed under s. 71.47 (1dm) to (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn),  
23 (3w), (3y), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), (8b), (8r), and (9s) and  
24 not passed through by a partnership, limited liability company, or tax-option  
25 corporation that has added that amount to the partnership's, limited liability

**ASSEMBLY BILL 177****SECTION 9**

1 company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g) and  
2 the amount of credit computed under s. 71.47 (1), (3), (3t), (4), (4m), and (5).

3 **SECTION 10.** 71.47 (8b) of the statutes is created to read:

4 71.47 (8b) APPRENTICESHIP PROGRAM CREDIT. (a) *Definition.* In this subsection,  
5 "claimant" means a person who files a claim under this subsection.

6 (b) *Filing claims.* Subject to the limitations provided in this subsection, a  
7 claimant may claim a credit against the taxes imposed under s. 71.43, up to the  
8 amount of the tax, an amount equal to \$2,500 multiplied by the number of the  
9 claimant's employees who satisfy all of the following conditions:

10 1. In the taxable year for which the claimant claims a credit under this  
11 subsection, the employee is employed through the Milwaukee Institute of Art and  
12 Design apprentice program funded by an American apprenticeship initiative grant  
13 through the U.S. department of labor.

14 2. The employee is employed by a business owned by the claimant that is  
15 located in this state and that is engaged in a design apprenticeship activity  
16 consistent with the purposes for which the Milwaukee Institute of Art and Design  
17 received the grant described under subd. 1.

18 (c) *Limitations.* 1. No person may claim the credit under this subsection unless  
19 the person first applies for the credit with the department, in the manner prescribed  
20 by the department, and the department approves the credit.

21 2. The total amount of the credits that claimants may claim under this  
22 subsection and ss. 71.07 (8b) and 71.28 (8b) is \$750,000. The department may adjust  
23 the amount of any credits claimed under this subsection and ss. 71.07 (8b) and 71.28  
24 (8b) at the time that applications are made under subd. 1. and ss. 71.07 (8b) (c) 1. and  
25 71.28 (8b) (c) 1. so that the limit under this subdivision is not exceeded.

**ASSEMBLY BILL 177**

1 3. Partnerships, limited liability companies, and tax-option corporations may  
2 not claim the credit under this subsection, but the eligibility for and the amount of  
3 the credit are based on their hiring of eligible employees described under par. (b).  
4 A partnership, limited liability company, or tax-option corporation shall compute  
5 the amount of credit that each of its partners, members, or shareholders may claim  
6 and shall provide that information to each of them. Partners, members of limited  
7 liability companies, and shareholders of tax-option corporations may claim the  
8 credit in proportion to their ownership interests.

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 11.** 71.49 (1) (cs) of the statutes is created to read:

12 71.49 (1) (cs) Apprenticeship program credit under s. 71.47 (8b).

13 **SECTION 12. Initial applicability.**

14 (1) This act first applies to taxable years beginning on January 1, 2017.

15 (END)