



State of Wisconsin
2021 - 2022 LEGISLATURE

LRB-5494/1
JK:skw

2021 SENATE BILL 1101

March 10, 2022 - Introduced by Senator JACQUE. Referred to Committee on Human Services, Children and Families.

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 (4p), 71.10 (4) (ft), 71.28 (4p), 71.30 (3) (dc),
3 71.47 (4p) and 71.49 (1) (dc) of the statutes; **relating to:** a pediatric cancer
4 research tax credit.

Analysis by the Legislative Reference Bureau

This bill creates an income and franchise tax credit for contributions made by a business entity to a pediatric cancer research institution. The bill requires the institution to use the contribution exclusively and directly for pediatric cancer research and defines a “pediatric cancer research institution” as a hospital located in this state that is actively conducting pediatric cancer research, as certified by the secretary of health services.

Under the bill, the maximum amount of the credit that an entity may claim in any taxable year is \$2,500,000. If the amount of the credit exceeds the entity’s tax liability, the entity does not receive a refund, but, instead, may claim the remaining, unused credit against the entity’s tax liability in subsequent years.

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 1101**SECTION 1**

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

2 71.05 **(6)** (a) 15. Except as provided under s. 71.07 (3p) (c) 5., the amount of the
3 credits computed under s. 71.07 (2dm), (2dx), (2dy), (3g), (3h), (3n), (3q), (3s), (3t),
4 (3w), (3wm), (3y), (4k), (4n), (4p), (5e), (5i), (5j), (5k), (5r), (5rm), (6n), and (10) and
5 not passed through by a partnership, limited liability company, or tax-option
6 corporation that has added that amount to the partnership's, company's, or
7 tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g).

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

9 71.07 **(4p)** PEDIATRIC CANCER RESEARCH CREDIT. (a) *Definitions.* In this
10 subsection:

11 1. "Claimant" means a sole proprietor, partner of a partnership, member of a
12 limited liability company, or shareholder of a tax-option corporation who files a claim
13 under this subsection.

14 2. "Pediatric cancer research institution" means a hospital located in this state
15 that is actively conducting pediatric cancer research, as certified by the secretary of
16 of health services.

17 (b) *Filing claims.* Subject to the limitations under this subsection, for taxable
18 years beginning after December 31, 2021, a claimant may claim as a credit against
19 the tax imposed under s. 71.02 the amount that the claimant paid in the taxable year
20 as a contribution to a pediatric cancer research institution.

21 (c) *Limitations.* 1. Partnerships, limited liability companies, and tax-option
22 corporations may not claim the credit under this subsection, but the eligibility for,
23 and the amount of, the credit are based on their payment of amounts under par. (b).
24 A partnership, limited liability company, or tax-option corporation shall compute
25 the amount of credit that each of its partners, members, or shareholders may claim

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1 and shall provide that information to each of them. Partners of partnerships,
2 members of limited liability companies, and shareholders of tax-option corporations
3 may claim the credit in proportion to their ownership interest or as specially
4 allocated in their organizational documents.

5 2. The maximum amount that a claimant may claim under this subsection for
6 a taxable year is \$2,500,000.

7 3. No claimant may claim both a deduction under section 170 of the Internal
8 Revenue Code and a credit under this subsection for the same contribution.

9 (d) *Administration.* 1. Section 71.28 (4) (e) to (h), as it applies to the credit
10 under s. 71.28 (4), applies to the credit under this subsection.

11 2. The secretary of health services, in consultation with the department of
12 revenue, shall establish a program for certifying entities as eligible to receive
13 contributions for purposes of the credit under this subsection. A pediatric cancer
14 research institution that receives a contribution pursuant to this subsection shall
15 use the contribution exclusively and directly for pediatric cancer research. A
16 claimant shall indicate to the pediatric cancer research institution at the time of
17 making the claimant's contribution that the claimant intends to claim the credit
18 under this subsection for that contribution.

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

20 71.10 (4) (ft) Pediatric cancer research credit under s. 71.07 (4p).

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

22 71.21 (4) (a) The amount of the credits computed by a partnership under s.
23 71.07 (2dm), (2dx), (2dy), (3g), (3h), (3n), (3q), (3s), (3t), (3w), (3wm), (3y), (4k), (4n),
24 (4p), (5e), (5g), (5i), (5j), (5k), (5r), (5rm), (6n), and (10) and passed through to
25 partners shall be added to the partnership's income.

SENATE BILL 1101**SECTION 5**

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

2 71.26 **(2)** (a) 4. Plus the amount of the credit computed under s. 71.28 (1dm),
3 (1dx), (1dy), (3g), (3h), (3n), (3q), (3t), (3w), (3wm), (3y), ~~(4p)~~, (5e), (5g), (5i), (5j), (5k),
4 (5r), (5rm), (6n), (9s), and (10) and not passed through by a partnership, limited
5 liability company, or tax-option corporation that has added that amount to the
6 partnership's, limited liability company's, or tax-option corporation's income under
7 s. 71.21 (4) or 71.34 (1k) (g).

8 **SECTION 6.** 71.28 (4p) of the statutes is created to read:

9 71.28 **(4p)** PEDIATRIC CANCER RESEARCH CREDIT. (a) *Definitions.* In this
10 subsection:

11 1. "Claimant" means a sole proprietor, partner of a partnership, member of a
12 limited liability company, or shareholder of a tax-option corporation who files a claim
13 under this subsection.

14 2. "Pediatric cancer research institution" means a hospital located in this state
15 that is actively conducting pediatric cancer research, as certified by the secretary of
16 health services.

17 (b) *Filing claims.* Subject to the limitations under this subsection, for taxable
18 years beginning after December 31, 2021, a claimant may claim as a credit against
19 the tax imposed under s. 71.23 the amount that the claimant paid in the taxable year
20 as a contribution to a pediatric cancer research institution.

21 (c) *Limitations.* 1. Partnerships, limited liability companies, and tax-option
22 corporations may not claim the credit under this subsection, but the eligibility for,
23 and the amount of, the credit are based on their payment of amounts under par. (b).
24 A partnership, limited liability company, or tax-option corporation shall compute
25 the amount of credit that each of its partners, members, or shareholders may claim

SENATE BILL 1101**SECTION 6**

1 and shall provide that information to each of them. Partners of partnerships,
2 members of limited liability companies, and shareholders of tax-option corporations
3 may claim the credit in proportion to their ownership interest or as specially
4 allocated in their organizational documents.

5 2. The maximum amount that a claimant may claim under this subsection for
6 a taxable year is \$2,500,000.

7 3. No claimant may claim both a deduction under section 170 of the Internal
8 Revenue Code and a credit under this subsection for the same contribution.

9 (d) *Administration.* 1. Subsection (4) (e) to (h), as it applies to the credit under
10 sub. (4), applies to the credit under this subsection.

11 2. The secretary of health services, in consultation with the department of
12 revenue, shall establish a program for certifying entities as eligible to receive
13 contributions for purposes of the credit under this subsection. A pediatric cancer
14 research institution that receives a contribution pursuant to this subsection shall
15 use the contribution exclusively and directly for pediatric cancer research. A
16 claimant shall indicate to the pediatric cancer research institution at the time of
17 making the claimant's contribution that the claimant intends to claim the credit
18 under this subsection for that contribution.

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

20 71.30 (3) (dc) Pediatric cancer research credit under s. 71.28 (4p).

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

22 71.34 (1k) (g) An addition shall be made for credits computed by a tax-option
23 corporation under s. 71.28 (1dm), (1dx), (1dy), (3), (3g), (3h), (3n), (3q), (3t), (3w),
24 (3wm), (3y), (4), (4p), (5), (5e), (5g), (5i), (5j), (5k), (5r), (5rm), (6n), and (10) and passed
25 through to shareholders.

SENATE BILL 1101**SECTION 9**

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

2 71.45 **(2)** (a) 10. By adding to federal taxable income the amount of credit
3 computed under s. 71.47 (1dm) to (1dy), (3g), (3h), (3n), (3q), (3w), (3y), ~~(4p)~~, (5e), (5g),
4 (5i), (5j), (5k), (5r), (5rm), (6n), (9s), and (10) and not passed through by a partnership,
5 limited liability company, or tax-option corporation that has added that amount to
6 the partnership's, limited liability company's, or tax-option corporation's income
7 under s. 71.21 (4) or 71.34 (1k) (g) and the amount of credit computed under s. 71.47
8 (1), (3), (3t), (4), (4m), and (5).

9 **SECTION 10.** 71.47 (4p) of the statutes is created to read:

10 71.47 **(4p)** PEDIATRIC CANCER RESEARCH CREDIT. (a) *Definitions.* In this
11 subsection:

12 1. "Claimant" means a sole proprietor, partner of a partnership, member of a
13 limited liability company, or shareholder of a tax-option corporation who files a claim
14 under this subsection.

15 2. "Pediatric cancer research institution" means a hospital located in this state
16 that is actively conducting pediatric cancer research, as certified by the secretary of
17 health services.

18 (b) *Filing claims.* Subject to the limitations under this subsection, for taxable
19 years beginning after December 31, 2021, a claimant may claim as a credit against
20 the tax imposed under s. 71.43 the amount that the claimant paid in the taxable year
21 as a contribution to a pediatric cancer research institution.

22 (c) *Limitations.* 1. Partnerships, limited liability companies, and tax-option
23 corporations may not claim the credit under this subsection, but the eligibility for,
24 and the amount of, the credit are based on their payment of amounts under par. (b).
25 A partnership, limited liability company, or tax-option corporation shall compute

SENATE BILL 1101**SECTION 10**

1 the amount of credit that each of its partners, members, or shareholders may claim
2 and shall provide that information to each of them. Partners of partnerships,
3 members of limited liability companies, and shareholders of tax-option corporations
4 may claim the credit in proportion to their ownership interest or as specially
5 allocated in their organizational documents.

6 2. The maximum amount that a claimant may claim under this subsection for
7 a taxable year is \$2,500,000.

8 3. No claimant may claim both a deduction under section 170 of the Internal
9 Revenue Code and a credit under this subsection for the same contribution.

10 (d) *Administration.* 1. Section 71.28 (4) (e) to (h), as it applies to the credit
11 under s. 71.28 (4), applies to the credit under this subsection.

12 2. The secretary of health services, in consultation with the department of
13 revenue, shall establish a program for certifying entities as eligible to receive
14 contributions for purposes of the credit under this subsection. A pediatric cancer
15 research institution that receives a contribution pursuant to this subsection shall
16 use the contribution exclusively and directly for pediatric cancer research. A
17 claimant shall indicate to the pediatric cancer research institution at the time of
18 making the claimant's contribution that the claimant intends to claim the credit
19 under this subsection for that contribution.

20 **SECTION 11.** 71.49 (1) (dc) of the statutes is created to read:

21 71.49 (1) (dc) Pediatric cancer research credit under s. 71.47 (4p).

22 (END)