

LAB says Foxconn should only get tax credits for work inside Wisconsin

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The Legislative Audit Bureau is again recommending WEDC make changes to how it determines job tax credits for Foxconn to ensure the agency is complying with the law.

The audit, released yesterday, recommends WEDC change written procedure to explicitly require the awarding of credits to the company only for wages paid to employees for services performed in the state. It also wants changes to written policies to ensure WEDC is awarding credits for the wages paid to all employees for services performed in Wisconsin, regardless of where they live.

According to the audit, the company wouldn't receive credits for wages paid to an employee who lives in Indiana but travels to Wisconsin to work in the Electronics and Information Technology Manufacturing Zone Program, which was created for the company. The audit says that doesn't comply with the law.

To date, WEDC hasn't awarded any credits for Foxconn, which fell short of the minimum number of jobs created during the first year of its deal with the state to qualify. The Taiwanese company also wasn't awarded any credits in the second year because the Evers administration contends the manufacturer isn't living up to the parameters of the original contract.

The audit is the second time LAB has recommended WEDC change written policies to comply with the law regarding the project.

WEDC CEO Missy Hughes wrote in response to the audit that the “WEDC will continue to pursue practical remedies for these matters which may occur via contract amendment and/or changes and modifications to WEDC procedures.”

She also noted the state hasn’t awarded any credits contrary to the statute or the contract since Foxconn has yet to qualify for any.

The Evers administration has asked the company to negotiate a new deal to reflect the scaled-back plans for the Racine County facility.

Read the audit: <https://legis.wisconsin.gov/lab/media/3148/20-27full.pdf>