



State of Wisconsin  
2019 - 2020 LEGISLATURE

LRB-5659/P2  
JK:cdc

**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION**

1     **AN ACT** *to amend* 71.05 (6) (a) 15., 71.10 (4) (i), 71.21 (4) (a), 71.26 (2) (a) 4., 71.30  
2           (3) (f), 71.34 (1k) (g), 71.45 (2) (a) 10. and 71.49 (1) (f); ***to repeal and recreate***  
3           71.05 (6) (a) 15., 71.10 (4) (i), 71.21 (4) (a), 71.26 (2) (a) 4., 71.30 (3) (f), 71.34 (1k)  
4           (g), 71.45 (2) (a) 10. and 71.49 (1) (f); and ***to create*** 20.835 (2) (bh), 71.07 (8s),  
5           71.28 (8s) and 71.47 (8s) of the statutes; **relating to:** an income tax credit for  
6           the property taxes paid on agricultural buildings and improvements and  
7           making an appropriation.

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***Analysis by the Legislative Reference Bureau***

This bill creates an income and franchise tax credit equal to approximately 66 percent of the taxes levied on buildings and other improvements, not including residential property, that are located in this state and used exclusively for farming. The credit is limited to \$7,500 for an individual, entity, or married couple filing jointly. In addition, in order to claim the credit, the claimant must have at least \$35,000 in annual gross cash farm income. The person will receive a refund if the amount of the credit exceeds the person's tax liability.

The bill also allows a taxpayer to claim the credit for 2020 online in the manner determined by DOR rather than file a tax return to claim the credit. Claiming the credit online for 2020 does not relieve the taxpayer of the taxpayer's obligation to otherwise file a return for that year.

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:***

**SECTION 1.** 20.835 (2) (bh) of the statutes is created to read:

20.835 (2) (bh) *Farm buildings credit.* A sum sufficient to make the payments under ss. 71.07 (8s), 71.28 (8s), and 71.47 (8s).

**SECTION 2.** 71.05 (6) (a) 15. of the statutes is amended to read:

71.05 (6) (a) 15. Except as provided under s. 71.07 (3p) (c) 5., the amount of the credits computed under s. 71.07 (2dm), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s), (3t), (3w), (3wm), (3y), (4k), (4n), (5e), (5f), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), (8r), (8s), and (10) and not passed through by a partnership, limited liability company, or tax-option corporation that has added that amount to the partnership's, company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g).

**SECTION 3.** 71.05 (6) (a) 15. of the statutes, as affected by 2019 Wisconsin Act 54 and 2019 Wisconsin Act .... (this act), is repealed and recreated to read:

71.05 (6) (a) 15. Except as provided under s. 71.07 (3p) (c) 5., the amount of the credits computed under s. 71.07 (2dm), (2dx), (2dy), (3g), (3h), (3n), (3q), (3s), (3t), (3w), (3wm), (3y), (4k), (4n), (5e), (5i), (5j), (5k), (5r), (5rm), (6n), (8s), and (10) and not passed through by a partnership, limited liability company, or tax-option corporation that has added that amount to the partnership's, company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g).

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

71.07 (8s) FARM BUILDINGS CREDIT. (a) *Definitions.* In this subsection:

1           1. “Agricultural land” means land that is assessed as agricultural land under  
2           s. 70.32 (2) (a) 4.

3           2. “Claimant” means a person who files a claim under this subsection.

4           3. “Residential property” means property that is assessed as residential  
5           property under s. 70.32 (2) (a) 1. or a residence that is assessed as other under s. 70.32  
6           (2) (a) 7.

7           4. “Used exclusively” means used to the exclusion of all other uses except for  
8           use not exceeding 5 percent of total use.

9           (b) *Filing claims.* Subject to the limitations provided in this subsection, for  
10          taxable years beginning after December 31, 2019, and before January 1, 2023, a  
11          claimant may claim as a credit against the taxes imposed under s. 71.02 an amount  
12          equal to the most recent assessed value of the claimant’s buildings and  
13          improvements assessed as other under s. 70.32 (2) (a) 7., not including residential  
14          property, that are used exclusively for farming, multiplied by 0.01187.

15          (c) *Limitations.* 1. Partnerships, limited liability companies, and tax-option  
16          corporations may not claim the credit under this subsection, but the eligibility for,  
17          and the amount of, the credit are based on the determination described under par.

18          (b). A partnership, limited liability company, or tax-option corporation shall  
19          compute the amount of credit that each of its partners, members, or shareholders  
20          may claim and shall provide that information to each of them. Partners, members  
21          of limited liability companies, and shareholders of tax-option corporations may  
22          claim the credit in proportion to their ownership interests.

23          2. No credit may be allowed under this subsection if the claimant or the  
24          claimant’s spouse files a claim under sub. (6e) or (9) or subch. VIII or IX that relates  
25          to the same taxable year for which a claim is made under this subsection.

1           3. The maximum amount of the credit that a claimant may claim under this  
2 subsection in a taxable year is \$7,500 for an individual or a married couple filing  
3 jointly.

4           4. No claimant may claim a credit under this subsection unless the claimant  
5 is a farmer and files a schedule F for the taxable year for which the claimant claims  
6 the credit or is an entity actively engaged in farming under 7 CFR 1400.201 for that  
7 taxable year. No claimant may claim a credit under this subsection unless the  
8 claimant's annual gross cash farm income for the taxable year is not less than  
9 \$35,000.

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

12           2. If the allowable amount of the claim under this subsection exceeds the taxes  
13 otherwise due on the claimant's income under s. 71.02, the amount of the claim that  
14 is not used to offset those taxes shall be certified by the department of revenue to the  
15 department of administration for payment from the appropriation under s. 20.835  
16 (2) (bh).

17           **SECTION 5.** 71.10 (4) (i) of the statutes is amended to read:

18           71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland  
19 preservation credit under ss. 71.57 to 71.61, farmland preservation credit, 2010 and  
20 beyond under s. 71.613, homestead credit under subch. VIII, farmland tax relief  
21 credit under s. 71.07 (3m), dairy manufacturing facility investment credit under s.  
22 71.07 (3p), jobs tax credit under s. 71.07 (3q), meat processing facility investment  
23 credit under s. 71.07 (3r), woody biomass harvesting and processing credit under s.  
24 71.07 (3rm), food processing plant and food warehouse investment credit under s.  
25 71.07 (3rn), business development credit under s. 71.07 (3y), research credit under

1 s. 71.07 (4k) (e) 2. a., film production services credit under s. 71.07 (5f), film  
2 production company investment credit under s. 71.07 (5h), veterans and surviving  
3 spouses property tax credit under s. 71.07 (6e), enterprise zone jobs credit under s.  
4 71.07 (3w), electronics and information technology manufacturing zone credit under  
5 s. 71.07 (3wm), beginning farmer and farm asset owner tax credit under s. 71.07 (8r),  
6 farm buildings credit under s. 71.07 (8s), earned income tax credit under s. 71.07 (9e),  
7 estimated tax payments under s. 71.09, and taxes withheld under subch. X.

8 **SECTION 6.** 71.10 (4) (i) of the statutes, as affected by 2019 Wisconsin Act 54 and  
9 2019 Wisconsin Act .... (this act), is repealed and recreated to read:

10 71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland  
11 preservation credit under ss. 71.57 to 71.61, farmland preservation credit, 2010 and  
12 beyond under s. 71.613, homestead credit under subch. VIII, farmland tax relief  
13 credit under s. 71.07 (3m), jobs tax credit under s. 71.07 (3q), business development  
14 credit under s. 71.07 (3y), research credit under s. 71.07 (4k) (e) 2. a., veterans and  
15 surviving spouses property tax credit under s. 71.07 (6e), enterprise zone jobs credit  
16 under s. 71.07 (3w), electronics and information technology manufacturing zone  
17 credit under s. 71.07 (3wm), farm buildings credit under s. 71.07 (8s), earned income  
18 tax credit under s. 71.07 (9e), estimated tax payments under s. 71.09, and taxes  
19 withheld under subch. X.

20 **SECTION 7.** 71.21 (4) (a) of the statutes is amended to read:

21 71.21 (4) (a) The amount of the credits computed by a partnership under s.  
22 71.07 (2dm), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s), (3t), (3w),  
23 (3wm), (3y), (4k), (4n), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), (8r), (8s),  
24 and (10) and passed through to partners shall be added to the partnership's income.

1           **SECTION 8.** 71.21 (4) (a) of the statutes, as affected by 2019 Wisconsin Act 54  
2 and 2019 Wisconsin Act .... (this act), is repealed and recreated to read:

3           71.21 (4) (a) The amount of the credits computed by a partnership under s.  
4 71.07 (2dm), (2dx), (2dy), (3g), (3h), (3n), (3q), (3s), (3t), (3w), (3wm), (3y), (4k), (4n),  
5 (5e), (5g), (5i), (5j), (5k), (5r), (5rm), (6n), (8s), and (10) and passed through to partners  
6 shall be added to the partnership's income.

7           **SECTION 9.** 71.26 (2) (a) 4. of the statutes is amended to read:

8           71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dm),  
9 (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3t), (3w), (3wm), (3y), (5e),  
10 (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), (8r), (8s), (9s), and (10) and not passed  
11 through by a partnership, limited liability company, or tax-option corporation that  
12 has added that amount to the partnership's, limited liability company's, or  
13 tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g).

14           **SECTION 10.** 71.26 (2) (a) 4. of the statutes, as affected by 2019 Wisconsin Act  
15 54 and 2019 Wisconsin Act .... (this act), is repealed and recreated to read:

16           71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dm),  
17 (1dx), (1dy), (3g), (3h), (3n), (3q), (3t), (3w), (3wm), (3y), (5e), (5g), (5i), (5j), (5k), (5r),  
18 (5rm), (6n), (8s), (9s), and (10) and not passed through by a partnership, limited  
19 liability company, or tax-option corporation that has added that amount to the  
20 partnership's, limited liability company's, or tax-option corporation's income under  
21 s. 71.21 (4) or 71.34 (1k) (g).

22           **SECTION 11.** 71.28 (8s) of the statutes is created to read:

23           71.28 (8s) FARM BUILDINGS CREDIT. (a) *Definitions.* In this subsection:

24           1. "Agricultural land" means land that is assessed as agricultural land under  
25 s. 70.32 (2) (a) 4.

1           2. “Claimant” means a person who files a claim under this subsection.

2           3. “Residential property” means property that is assessed as residential  
3 property under s. 70.32 (2) (a) 1. or a residence that is assessed as other under s. 70.32  
4 (2) (a) 7.

5           4. “Used exclusively” means used to the exclusion of all other uses except for  
6 use not exceeding 5 percent of total use.

7           (b) *Filing claims.* Subject to the limitations provided in this subsection, for  
8 taxable years beginning after December 31, 2019, and before January 1, 2023, a  
9 claimant may claim as a credit against the taxes imposed under s. 71.23 an amount  
10 equal to the most recent assessed value of the claimant’s buildings and  
11 improvements assessed as other under s. 70.32 (2) (a) 7., not including residential  
12 property, that are used exclusively for farming, multiplied by 0.01187.

13           (c) *Limitations.* 1. Partnerships, limited liability companies, and tax-option  
14 corporations may not claim the credit under this subsection, but the eligibility for,  
15 and the amount of, the credit are based on the determination described under par.

16           (b). A partnership, limited liability company, or tax-option corporation shall  
17 compute the amount of credit that each of its partners, members, or shareholders  
18 may claim and shall provide that information to each of them. Partners, members  
19 of limited liability companies, and shareholders of tax-option corporations may  
20 claim the credit in proportion to their ownership interests.

21           2. The maximum amount of the credit that a claimant may claim under this  
22 subsection in a taxable year is \$7,500.

23           3. No claimant may claim a credit under this subsection unless the claimant  
24 is a farmer and files a schedule F for the taxable year for which the claimant claims  
25 the credit or is an entity actively engaged in farming under 7 CFR 1400.201 for that

1 taxable year. No claimant may claim a credit under this subsection unless the  
2 claimant's annual gross cash farm income for the taxable year is not less than  
3 \$35,000.

4 (d) *Administration.* 1. Subsection (4) (g) and (h), as it applies to the credit  
5 under sub. (4), applies to the credit under this subsection.

6 2. If the allowable amount of the claim under this subsection exceeds the taxes  
7 otherwise due on the claimant's income under s. 71.23, the amount of the claim that  
8 is not used to offset those taxes shall be certified by the department of revenue to the  
9 department of administration for payment from the appropriation under s. 20.835  
10 (2) (bh).

11 **SECTION 12.** 71.30 (3) (f) of the statutes is amended to read:

12 71.30 (3) (f) The total of farmland preservation credit under subch. IX,  
13 farmland tax relief credit under s. 71.28 (2m), dairy manufacturing facility  
14 investment credit under s. 71.28 (3p), jobs credit under s. 71.28 (3q), meat processing  
15 facility investment credit under s. 71.28 (3r), woody biomass harvesting and  
16 processing credit under s. 71.28 (3rm), food processing plant and food warehouse  
17 investment credit under s. 71.28 (3rn), enterprise zone jobs credit under s. 71.28  
18 (3w), electronics and information technology manufacturing zone credit under s.  
19 71.28 (3wm), business development credit under s. 71.28 (3y), research credit under  
20 s. 71.28 (4) (k) 1., film production services credit under s. 71.28 (5f), film production  
21 company investment credit under s. 71.28 (5h), beginning farmer and farm asset  
22 owner tax credit under s. 71.28 (8r), farm buildings credit under s. 71.28 (8s), and  
23 estimated tax payments under s. 71.29.

24 **SECTION 13.** 71.30 (3) (f) of the statutes, as affected by 2019 Wisconsin Act 54  
25 and 2019 Wisconsin Act .... (this act), is repealed and recreated to read:



1           71.30 (3) (f) The total of farmland preservation credit under subch. IX,  
2           farmland tax relief credit under s. 71.28 (2m), jobs credit under s. 71.28 (3q),  
3           enterprise zone jobs credit under s. 71.28 (3w), electronics and information  
4           technology manufacturing zone credit under s. 71.28 (3wm), business development  
5           credit under s. 71.28 (3y), research credit under s. 71.28 (4) (k) 1., farm buildings  
6           credit under s. 71.28 (8s), and estimated tax payments under s. 71.29.

7           **SECTION 14.** 71.34 (1k) (g) of the statutes is amended to read:

8           71.34 (1k) (g) An addition shall be made for credits computed by a tax-option  
9           corporation under s. 71.28 (1dm), (1dx), (1dy), (3), (3g), (3h), (3n), (3p), (3q), (3r),  
10          (3rm), (3rn), (3t), (3w), (3wm), (3y), (4), (5), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r),  
11          (5rm), (6n), (8r), (8s), and (10) and passed through to shareholders.

12          **SECTION 15.** 71.34 (1k) (g) of the statutes, as affected by 2019 Wisconsin Act 54  
13          and 2019 Wisconsin Act .... (this act), is repealed and recreated to read:

14          71.34 (1k) (g) An addition shall be made for credits computed by a tax-option  
15          corporation under s. 71.28 (1dm), (1dx), (1dy), (3), (3g), (3h), (3n), (3q), (3t), (3w),  
16          (3wm), (3y), (4), (5), (5e), (5g), (5i), (5j), (5k), (5r), (5rm), (6n), (8s), and (10) and passed  
17          through to shareholders.

18          **SECTION 16.** 71.45 (2) (a) 10. of the statutes is amended to read:

19          71.45 (2) (a) 10. By adding to federal taxable income the amount of credit  
20          computed under s. 71.47 (1dm) to (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn),  
21          (3w), (3y), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), (8r), (8s), (9s), and (10)  
22          and not passed through by a partnership, limited liability company, or tax-option  
23          corporation that has added that amount to the partnership's, limited liability  
24          company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g) and  
25          the amount of credit computed under s. 71.47 (1), (3), (3t), (4), (4m), and (5).

1           **SECTION 17.** 71.45 (2) (a) 10. of the statutes, as affected by 2019 Wisconsin Act  
2       54 and 2019 Wisconsin Act .... (this act), is repealed and recreated to read:

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

10          **SECTION 18.** 71.47 (8s) of the statutes is created to read:

11          71.47 **(8s)** FARM BUILDINGS CREDIT. (a) *Definitions.* In this subsection:

12           1. "Agricultural land" means land that is assessed as agricultural land under  
13       s. 70.32 (2) (a) 4.

14           2. "Claimant" means a person who files a claim under this subsection.

15           3. "Residential property" means property that is assessed as residential  
16       property under s. 70.32 (2) (a) 1. or a residence that is assessed as other under s. 70.32  
17       (2) (a) 7.

18           4. "Used exclusively" means used to the exclusion of all other uses except for  
19       use not exceeding 5 percent of total use.

20          (b) *Filing claims.* Subject to the limitations provided in this subsection, for  
21       taxable years beginning after December 31, 2019, and before January 1, 2023, a  
22       claimant may claim as a credit against the taxes imposed under s. 71.43 an amount  
23       equal to the most recent assessed value of the claimant's buildings and  
24       improvements assessed as other under s. 70.32 (2) (a) 7., not including residential  
25       property, that are used exclusively for farming, multiplied by 0.01187.

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

9           2. The maximum amount of the credit that a claimant may claim under this  
10 subsection in a taxable year is \$7,500.

11           3. No claimant may claim a credit under this subsection unless the claimant  
12 is a farmer and files a schedule F for the taxable year for which the claimant claims  
13 the credit or is an entity actively engaged in farming under 7 CFR 1400.201 for that  
14 taxable year. No claimant may claim a credit under this subsection unless the  
15 claimant's annual gross cash farm income for the taxable year is not less than  
16 \$35,000.

17           (d) *Administration.* 1. Section 71.28 (4) (g) and (h), as it applies to the credit  
18 under s. 71.28 (4), applies to the credit under this subsection.

19           2. If the allowable amount of the claim under this subsection exceeds the taxes  
20 otherwise due on the claimant's income under s. 71.43, the amount of the claim that  
21 is not used to offset those taxes shall be certified by the department of revenue to the  
22 department of administration for payment from the appropriation under s. 20.835  
23 (2) (bh).

24           **SECTION 19.** 71.49 (1) (f) of the statutes is amended to read:

1           71.49 (1) (f) The total of farmland preservation credit under subch. IX,  
2           farmland tax relief credit under s. 71.47 (2m), dairy manufacturing facility  
3           investment credit under s. 71.47 (3p), jobs credit under s. 71.47 (3q), meat processing  
4           facility investment credit under s. 71.47 (3r), woody biomass harvesting and  
5           processing credit under s. 71.47 (3rm), food processing plant and food warehouse  
6           investment credit under s. 71.47 (3rn), enterprise zone jobs credit under s. 71.47  
7           (3w), business development credit under s. 71.47 (3y), research credit under s. 71.47  
8           (4) (k) 1., film production services credit under s. 71.47 (5f), film production company  
9           investment credit under s. 71.47 (5h), beginning farmer and farm asset owner tax  
10          credit under s. 71.47 (8r), farm buildings credit under s. 71.47 (8s), and estimated tax  
11          payments under s. 71.48.

12           **SECTION 20.** 71.49 (1) (f) of the statutes, as affected by 2019 Wisconsin Act 54  
13          and 2019 Wisconsin Act .... (this act), is repealed and recreated to read:

14           71.49 (1) (f) The total of farmland preservation credit under subch. IX,  
15           farmland tax relief credit under s. 71.47 (2m), jobs credit under s. 71.47 (3q),  
16           enterprise zone jobs credit under s. 71.47 (3w), business development credit under  
17           s. 71.47 (3y), research credit under s. 71.47 (4) (k) 1., farm buildings credit under s.  
18           71.47 (8s), and estimated tax payments under s. 71.48.

19           **SECTION 21. Nonstatutory provisions.**

20           (1) FARM BUILDINGS CREDIT. A person who is eligible to claim the farm buildings  
21           credit under s. 71.07 (8s), 71.28 (8s), or 71.47 (8s) for taxable years beginning after  
22           December 31, 2019, and before January 1, 2021, may claim the credit by filing a claim  
23           online, as prescribed by the department of revenue, rather than filing a return in  
24           order to claim and receive the credit. This subsection does not relieve the claimant's  
25           obligation to otherwise file a return for that taxable year. The department shall

1 process claims submitted under this subsection as expeditiously as possible and  
2 certify the claims for payment as provided under ss. 71.07 (8s) (d) 2., 71.28 (8s) (d)  
3 2., and 71.47 (8s) (d) 2.

4 **SECTION 22. Effective dates.** This act takes effect on the day after publication,  
5 except as follows:

6 (1) The repeal and recreation of ss. 71.05 (6) (a) 15., 71.10 (4) (i), 71.21 (4) (a),  
7 71.26 (2) (a) 4., 71.30 (3) (f), 71.34 (1k) (g), 71.45 (2) (a) 10., and 71.49 (1) (f) takes effect  
8 on July 1, 2020.

9 (END)