



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-0892/1
MES:kjf

2019 BILL

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 (8g), 71.10 (4) (em), 71.28 (8g), 71.30 (3)
3 (am), 71.47 (8g) and 71.49 (1) (am) of the statutes; **relating to:** creating a
4 nonrefundable individual and corporate income and franchise tax credit for
5 costs paid to eliminate exposure to a lead hazard in a dwelling.

Analysis by the Legislative Reference Bureau

This bill creates a nonrefundable individual income tax credit and a corporate income and franchise tax credit for costs paid to eliminate a lead hazard in a dwelling or residential condominium unit in this state (residence).

Under this bill, an owner of a residence may claim a credit for all costs paid, up to \$1,500 per dwelling unit, to permanently eliminate a lead hazard in a residence. A dwelling may contain more than one dwelling unit. To claim the credit, a claimant must meet all of the following conditions:

1. A certified professional must investigate the residence and determine that a lead hazard exists.
2. The lead hazard abatement activities in the residence must be conducted in accordance with rules promulgated by the Department of Health Services.
3. A certified professional must do one or both of the following: 1) issue a certificate confirming that the residence is free from lead-bearing paint on the date of the inspection; or 2) execute a document certifying that the lead hazard abatement activities permanently eliminated all lead hazards in the residence.

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At the option of the owner, the owner may, at the same time the owner remediates lead hazards in a residence, also remediate any lead hazards present in the residence's utility service connections and claim a credit for those costs.

The credit is nonrefundable, meaning that it may be claimed only up to the amount of a taxpayer's income or franchise tax liability. If the amount of the credit for which a claimant is eligible exceeds the claimant's tax liability, the claimant may carry forward the excess credit amount for up to the following seven taxable years.

For further information see the *state and local* 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:

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), (3p), (3q), (3r),
4 (3rm), (3rn), (3s), (3t), (3w), (3wm), (3y), (4k), (4n), (5e), (5f), (5h), (5i), (5j), (5k), (5r),
5 (5rm), (6n), (8g), (8r), and (10) and not passed through by a partnership, limited
6 liability company, or tax-option corporation that has added that amount to the
7 partnership's, company's, or tax-option corporation's income under s. 71.21 (4) or
8 71.34 (1k) (g).

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

10 71.07 **(8g)** LEAD HAZARD ABATEMENT TAX CREDIT. (a) *Definitions.* In this
11 subsection:

12 1. "Certificate of lead-free status" means a certificate of lead-free status, as
13 defined in s. 254.11 (4g), that is issued in accordance with the rules promulgated by
14 the department of health services under s. 254.179 (1) and has not been revoked by
15 the department of health services.

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

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1 3. “Condominium unit” means a unit, as defined in s. 703.02 (15), that is a
2 dwelling unit.

3 4. “Dwelling” means any structure, all or part of which is designed or used for
4 human habitation and includes a structure owned and occupied by members of a
5 housing cooperative incorporated under ch. 185 or organized under ch. 193. A
6 “dwelling” may contain one or more dwelling units.

7 5. “Dwelling unit” means a structure or that part of a structure that is designed,
8 used, or intended to be used as a home or residence by one person or by 2 or more
9 persons maintaining a common household, to the exclusion of all others.

10 6. “Extended dwelling” means a dwelling and the dwelling’s utility service
11 connections.

12 7. “First effective” means:

13 a. With respect to a certificate of lead-free status, the date listed on the
14 certificate as the certificate’s effective date.

15 b. With respect to proof of successful abatement, the date on which the
16 document is executed.

17 8. “Lead-bearing paint hazard” has the meaning given in s. 254.11 (8d).

18 9. “Lead hazard” has the meaning given in s. 254.11 (8g).

19 10. “Lead hazard abatement” means lead hazard abatement, as defined in s.
20 254.11 (8j), that is conducted in accordance with the rules promulgated by the
21 department of health services under s. 254.172 (1) by a person certified by the
22 department of health services under s. 254.176 (1).

23 11. “Lead investigation” means a lead investigation, as defined in s. 254.11 (8s),
24 that is conducted in accordance with the rules promulgated by the department of
25 health services under s. 254.167.

BILL**SECTION 2**

1 12. “Lead risk assessor” has the meaning given in s. 254.11 (9g).

2 13. “Proof of successful abatement” means a document executed by a certified
3 lead risk assessor or other person certified under s. 254.176 that certifies a finding
4 by the assessor that lead hazard abatement in or on a dwelling, extended dwelling,
5 or condominium unit permanently eliminated all lead hazards in the dwelling,
6 extended dwelling, or condominium unit.

7 14. “Utility service connections” means improvements to real property
8 necessary to connect a dwelling or a structure of a condominium, as defined in s.
9 703.02 (4), to utility services, including heat, light, water, power,
10 telecommunications services, and sewer services.

11 (b) *Filing claims.* Subject to the limitations and conditions provided in this
12 subsection, for a taxable year in which a certificate of lead-free status or proof of
13 successful abatement described under par. (c) 2. is first effective, a claimant may
14 claim as a credit against the tax imposed under s. 71.02, up to the amount of those
15 taxes, an amount equal to the amount the claimant paid for lead hazard abatement
16 in or on a dwelling, extended dwelling, or condominium unit in this state owned by
17 the claimant to which the certificate of lead-free status or proof of successful
18 abatement relates.

19 (c) *Limitations and conditions.* 1. Before commencing lead hazard abatement
20 for which a credit may be claimed under this subsection, a claimant shall have a
21 certified lead risk assessor or other person certified by the department of health
22 services under s. 254.176 conduct a lead investigation of the dwelling, extended
23 dwelling, or condominium unit to which the credit relates and determine that a
24 lead-bearing paint hazard or lead hazard exists in or on the dwelling, extended
25 dwelling, or condominium unit. In calculating the amount of the credit under this

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1 subsection, a claimant may not use any amounts paid for lead hazard abatement
2 before the lead investigation and determination is completed.

3 2. A claimant shall submit with the claimant's tax return all of the following
4 that are applicable to the claimant's claim:

5 a. If the lead investigation described under subd. 1. identified the presence of
6 a lead-bearing paint hazard in or on the dwelling or condominium unit, a copy of a
7 certificate of lead-free status issued with respect to the dwelling or condominium
8 unit that is first effective in the taxable year to which the claim relates.

9 b. If the lead investigation described under subd. 1. identified the presence of
10 a lead hazard other than a lead-bearing paint hazard in or on the dwelling, extended
11 dwelling, or condominium unit, proof of successful abatement issued with respect to
12 the dwelling, extended dwelling, or condominium unit that is first effective in the
13 taxable year to which the claim relates.

14 3. A certificate of lead-free status described under subd. 2. a. that is issued with
15 respect to a dwelling shall cover the entire dwelling.

16 4. Proof of successful abatement described under subd. 2. b. that is issued with
17 respect to a dwelling or extended dwelling shall cover the entire dwelling or extended
18 dwelling.

19 5. To claim a credit under this subsection with respect to a condominium unit,
20 in addition to a copy of the certificate of lead-free status and the proof of successful
21 abatement described under subd. 2., a claimant shall submit with the claimant's tax
22 return a copy of a certificate of lead-free status issued with respect to the
23 condominium's common elements, as defined in s. 703.02 (2), except that the
24 certificate need not cover any utility service connections that are common elements.

BILL**SECTION 2**

1 6. Notwithstanding par. (b), if a residential condominium's association, as
2 defined in s. 703.02 (1m), paid for lead hazard abatement in or on the condominium's
3 common elements, as defined in s. 703.02 (2), the association may claim a credit
4 under this subsection even if the association does not own the common elements and
5 even if the common elements do not constitute a dwelling or extended dwelling, or,
6 at the option of the association, the condominium's unit owners, as defined in s.
7 703.02 (17), may claim the credit in proportion to their percentage interests in the
8 common elements, as determined under s. 703.13. If the association elects to allow
9 the unit owners to claim the credit, the association shall compute the amount of the
10 credit that each of the unit owners may claim and shall provide that information to
11 each of them.

12 7. A claimant may only claim a credit under this subsection within the time
13 period specified under s. 71.75 (2).

14 8. The maximum aggregate amount that one or more claimants may claim
15 under this subsection and ss. 71.28 (8g) and 71.47 (8g) with respect to a particular
16 dwelling, extended dwelling, or condominium unit is \$1,500 per dwelling, extended
17 dwelling, or condominium unit, except that, if the dwelling or extended dwelling
18 contains more than one dwelling unit, the maximum aggregate amount is \$1,500 per
19 dwelling unit.

20 9. Part-year residents and nonresidents of this state are not eligible for the
21 credit under this subsection.

22 10. Partnerships, limited liability companies, and tax-option corporations may
23 not claim the credit under this subsection, but the eligibility for, and the amount of,
24 the credit are based on their payment of amounts described under par. (b), except
25 that for each dwelling, extended dwelling, or condominium unit owned by the entity

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1 the aggregate amount of credits that the entity may compute may not exceed the
2 limitation under subd. 8. A partnership, limited liability company, or tax-option
3 corporation shall compute the amount of the credit that each of its partners,
4 members, or shareholders may claim and shall provide that information to each of
5 them. Partners, members of limited liability companies, and shareholders of
6 tax-option corporations may claim the credit in proportion to their ownership
7 interests.

8 11. Housing cooperatives incorporated under ch. 185 or organized under ch. 193
9 may not claim the credit under this subsection, but the eligibility for, and the amount
10 of, the credit are based on their payment of amounts described under par. (b), except
11 that for each dwelling, extended dwelling, or condominium unit owned by the entity
12 the aggregate amount of credits that the entity may compute may not exceed the
13 limitation under subd. 8. A housing cooperative shall compute the amount of the
14 credit that each of its members may claim and shall provide that information to each
15 of them. Members may claim the credit in proportion to their ownership interests.

16 12. If 2 or more persons own a dwelling, extended dwelling, or condominium
17 unit, each person may claim a credit under par. (b) in proportion to the person's
18 ownership interest, except that the aggregate amount of the credits claimed by all
19 persons who own the dwelling, extended dwelling, or condominium unit may not
20 exceed the limitation under subd. 8.

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

23 2. If a credit computed under this subsection is not entirely offset against taxes
24 otherwise due, the unused balance may be carried forward and credited against
25 taxes otherwise due for the following 7 taxable years to the extent not offset by taxes

BILL**SECTION 2**

1 otherwise due in all intervening years between the year in which the expense was
2 incurred and the year in which the carry-forward credit is claimed.

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

4 71.10 (4) (em) Lead hazard abatement tax credit under s. 71.07 (8g).

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

6 71.21 (4) (a) The amount of the credits computed by a partnership under s.
7 71.07 (2dm), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s), (3t), (3w),
8 (3wm), (3y), (4k), (4n), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), (8g), (8r),
9 and (10) and passed through to partners shall be added to the partnership's income.

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

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

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

18 71.28 (8g) LEAD HAZARD ABATEMENT TAX CREDIT. (a) *Definitions.* In this
19 subsection:

20 1. "Certificate of lead-free status" means a certificate of lead-free status, as
21 defined in s. 254.11 (4g), that is issued in accordance with the rules promulgated by
22 the department of health services under s. 254.179 (1) and has not been revoked by
23 the department of health services.

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

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1 3. “Condominium unit” means a unit, as defined in s. 703.02 (15), that is a
2 dwelling unit.

3 4. “Dwelling” means any structure, all or part of which is designed or used for
4 human habitation and includes a structure owned and occupied by members of a
5 housing cooperative incorporated under ch. 185 or organized under ch. 193. A
6 “dwelling” may contain one or more dwelling units.

7 5. “Dwelling unit” means a structure or that part of a structure that is designed,
8 used, or intended to be used as a home or residence by one person or by 2 or more
9 persons maintaining a common household, to the exclusion of all others.

10 6. “Extended dwelling” means a dwelling and the dwelling’s utility service
11 connections.

12 7. “First effective” means:

13 a. With respect to a certificate of lead-free status, the date listed on the
14 certificate as the certificate’s effective date.

15 b. With respect to proof of successful abatement, the date on which the
16 document is executed.

17 8. “Lead-bearing paint hazard” has the meaning given in s. 254.11 (8d).

18 9. “Lead hazard” has the meaning given in s. 254.11 (8g).

19 10. “Lead hazard abatement” means lead hazard abatement, as defined in s.
20 254.11 (8j), that is conducted in accordance with the rules promulgated by the
21 department of health services under s. 254.172 (1) by a person certified by the
22 department of health services under s. 254.176 (1).

23 11. “Lead investigation” means a lead investigation, as defined in s. 254.11 (8s),
24 that is conducted in accordance with the rules promulgated by the department of
25 health services under s. 254.167.

BILL**SECTION 6**

1 12. “Lead risk assessor” has the meaning given in s. 254.11 (9g).

2 13. “Proof of successful abatement” means a document executed by a certified
3 lead risk assessor or other person certified under s. 254.176 that certifies a finding
4 by the assessor that lead hazard abatement in or on a dwelling, extended dwelling,
5 or condominium unit permanently eliminated all lead hazards in the dwelling,
6 extended dwelling, or condominium unit.

7 14. “Utility service connections” means improvements to real property
8 necessary to connect a dwelling or a structure of a condominium, as defined in s.
9 703.02 (4), to utility services, including heat, light, water, power,
10 telecommunications services, and sewer services.

11 (b) *Filing claims.* Subject to the limitations and conditions provided in this
12 subsection, for a taxable year in which a certificate of lead-free status or proof of
13 successful abatement described under par. (c) 2. is first effective, a claimant may
14 claim as a credit against the tax imposed under s. 71.23, up to the amount of those
15 taxes, an amount equal to the amount the claimant paid for lead hazard abatement
16 in or on a dwelling, extended dwelling, or condominium unit in this state owned by
17 the claimant to which the certificate of lead-free status or proof of successful
18 abatement relates.

19 (c) *Limitations and conditions.* 1. Before commencing lead hazard abatement
20 for which a credit may be claimed under this subsection, a claimant shall have a
21 certified lead risk assessor or other person certified by the department of health
22 services under s. 254.176 conduct a lead investigation of the dwelling, extended
23 dwelling, or condominium unit to which the credit relates and determine that a
24 lead-bearing paint hazard or lead hazard exists in or on the dwelling, extended
25 dwelling, or condominium unit. In calculating the amount of the credit under this

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1 subsection, a claimant may not use any amounts paid for lead hazard abatement
2 before the lead investigation and determination is completed.

3 2. A claimant shall submit with the claimant's tax return all of the following
4 that are applicable to the claimant's claim:

5 a. If the lead investigation described under subd. 1. identified the presence of
6 a lead-bearing paint hazard in or on the dwelling or condominium unit, a copy of a
7 certificate of lead-free status issued with respect to the dwelling or condominium
8 unit that is first effective in the taxable year to which the claim relates.

9 b. If the lead investigation described under subd. 1. identified the presence of
10 a lead hazard other than a lead-bearing paint hazard in or on the dwelling, extended
11 dwelling, or condominium unit, proof of successful abatement issued with respect to
12 the dwelling, extended dwelling, or condominium unit that is first effective in the
13 taxable year to which the claim relates.

14 3. A certificate of lead-free status described under subd. 2. a. that is issued with
15 respect to a dwelling shall cover the entire dwelling.

16 4. Proof of successful abatement described under subd. 2. b. that is issued with
17 respect to a dwelling or extended dwelling shall cover the entire dwelling or extended
18 dwelling.

19 5. To claim a credit under this subsection with respect to a condominium unit,
20 in addition to a copy of the certificate of lead-free status and the proof of successful
21 abatement described under subd. 2., a claimant shall submit with the claimant's tax
22 return a copy of a certificate of lead-free status issued with respect to the
23 condominium's common elements, as defined in s. 703.02 (2), except that the
24 certificate need not cover any utility service connections that are common elements.

BILL**SECTION 6**

1 6. Notwithstanding par. (b), if a residential condominium's association, as
2 defined in s. 703.02 (1m), paid for lead hazard abatement in or on the condominium's
3 common elements, as defined in s. 703.02 (2), the association may claim a credit
4 under this subsection even if the association does not own the common elements and
5 even if the common elements do not constitute a dwelling or extended dwelling or,
6 at the option of the association, the condominium's unit owners, as defined in s.
7 703.02 (17), may claim the credit in proportion to their percentage interests in the
8 common elements, as determined under s. 703.13. If the association elects to allow
9 the unit owners to claim the credit, the association shall compute the amount of the
10 credit that each of the unit owners may claim and shall provide that information to
11 each of them.

12 7. A claimant may only claim a credit under this subsection within the time
13 period specified under s. 71.75 (2).

14 8. The maximum aggregate amount that one or more claimants may claim
15 under this subsection and ss. 71.07 (8g) and 71.47 (8g) with respect to a particular
16 dwelling, extended dwelling, or condominium unit is \$1,500 per dwelling, extended
17 dwelling, or condominium unit, except that, if the dwelling or extended dwelling
18 contains more than one dwelling unit, the maximum aggregate amount is \$1,500 per
19 dwelling unit.

20 9. Partnerships, limited liability companies, and tax-option corporations may
21 not claim the credit under this subsection, but the eligibility for, and the amount of,
22 the credit are based on their payment of amounts described under par. (b), except
23 that for each dwelling, extended dwelling, or condominium unit owned by the entity
24 the aggregate amount of credits that the entity may compute may not exceed the
25 limitation under subd. 8. A partnership, limited liability company, or tax-option

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1 corporation shall compute the amount of the credit that each of its partners,
2 members, or shareholders may claim and shall provide that information to each of
3 them. Partners, members of limited liability companies, and shareholders of
4 tax-option corporations may claim the credit in proportion to their ownership
5 interests.

6 10. Housing cooperatives incorporated under ch. 185 or organized under ch.
7 193 may not claim the credit under this subsection, but the eligibility for, and the
8 amount of, the credit are based on their payment of amounts described under par.
9 (b), except that for each dwelling, extended dwelling, or condominium unit owned by
10 the entity the aggregate amount of credits that the entity may compute may not
11 exceed the limitation under subd. 8. A housing cooperative shall compute the
12 amount of the credit that each of its members may claim and shall provide that
13 information to each of them. Members may claim the credit in proportion to their
14 ownership interests.

15 11. If 2 or more persons own a dwelling, extended dwelling, or condominium
16 unit, each person may claim a credit under par. (b) in proportion to the person's
17 ownership interest, except that the aggregate amount of the credits claimed by all
18 persons who own the dwelling, extended dwelling, or condominium unit may not
19 exceed the limitation under subd. 8.

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

22 2. If a credit computed under this subsection is not entirely offset against taxes
23 otherwise due, the unused balance may be carried forward and credited against
24 taxes otherwise due for the following 7 taxable years to the extent not offset by taxes

BILL**SECTION 6**

1 otherwise due in all intervening years between the year in which the expense was
2 incurred and the year in which the carry-forward credit is claimed.

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

4 71.30 (3) (am) Lead hazard abatement tax credit under s. 71.28 (8g).

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

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

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

11 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
12 computed under s. 71.47 (1dm) to (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn),
13 (3w), (3y), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), (8g), (8r), (9s), and (10)
14 and not passed through by a partnership, limited liability company, or tax-option
15 corporation that has added that amount to the partnership's, limited liability
16 company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g) and
17 the amount of credit computed under s. 71.47 (1), (3), (3t), (4), (4m), and (5).

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

19 71.47 (8g) LEAD HAZARD ABATEMENT TAX CREDIT. (a) *Definitions.* In this
20 subsection:

21 1. "Certificate of lead-free status" means a certificate of lead-free status, as
22 defined in s. 254.11 (4g), that is issued in accordance with the rules promulgated by
23 the department of health services under s. 254.179 (1) and has not been revoked by
24 the department of health services.

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

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1 3. “Condominium unit” means a unit, as defined in s. 703.02 (15), that is a
2 dwelling unit.

3 4. “Dwelling” means any structure, all or part of which is designed or used for
4 human habitation and includes a structure owned and occupied by members of a
5 housing cooperative incorporated under ch. 185 or organized under ch. 193. A
6 “dwelling” may contain one or more dwelling units.

7 5. “Dwelling unit” means a structure or that part of a structure that is designed,
8 used, or intended to be used as a home or residence by one person or by 2 or more
9 persons maintaining a common household, to the exclusion of all others.

10 6. “Extended dwelling” means a dwelling and the dwelling’s utility service
11 connections.

12 7. “First effective” means:

13 a. With respect to a certificate of lead-free status, the date listed on the
14 certificate as the certificate’s effective date.

15 b. With respect to proof of successful abatement, the date on which the
16 document is executed.

17 8. “Lead-bearing paint hazard” has the meaning given in s. 254.11 (8d).

18 9. “Lead hazard” has the meaning given in s. 254.11 (8g).

19 10. “Lead hazard abatement” means lead hazard abatement, as defined in s.
20 254.11 (8j), that is conducted in accordance with the rules promulgated by the
21 department of health services under s. 254.172 (1) by a person certified by the
22 department of health services under s. 254.176 (1).

23 11. “Lead investigation” means a lead investigation, as defined in s. 254.11 (8s),
24 that is conducted in accordance with the rules promulgated by the department of
25 health services under s. 254.167.

BILL**SECTION 10**

1 12. “Lead risk assessor” has the meaning given in s. 254.11 (9g).

2 13. “Proof of successful abatement” means a document executed by a certified
3 lead risk assessor or other person certified under s. 254.176 that certifies a finding
4 by the assessor that lead hazard abatement in or on a dwelling, extended dwelling,
5 or condominium unit permanently eliminated all lead hazards in the dwelling,
6 extended dwelling, or condominium unit.

7 14. “Utility service connections” means improvements to real property
8 necessary to connect a dwelling or a structure of a condominium, as defined in s.
9 703.02 (4), to utility services, including heat, light, water, power,
10 telecommunications services, and sewer services.

11 (b) *Filing claims.* Subject to the limitations and conditions provided in this
12 subsection, for a taxable year in which a certificate of lead-free status or proof of
13 successful abatement described under par. (c) 2. is first effective, a claimant may
14 claim as a credit against the tax imposed under s. 71.43, up to the amount of those
15 taxes, an amount equal to the amount the claimant paid for lead hazard abatement
16 in or on a dwelling, extended dwelling, or condominium unit in this state owned by
17 the claimant to which the certificate of lead-free status or proof of successful
18 abatement relates.

19 (c) *Limitations and conditions.* 1. Before commencing lead hazard abatement
20 for which a credit may be claimed under this subsection, a claimant shall have a
21 certified lead risk assessor or other person certified by the department of health
22 services under s. 254.176 conduct a lead investigation of the dwelling, extended
23 dwelling, or condominium unit to which the credit relates and determine that a
24 lead-bearing paint hazard or lead hazard exists in or on the dwelling, extended
25 dwelling, or condominium unit. In calculating the amount of the credit under this

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1 subsection, a claimant may not use any amounts paid for lead hazard abatement
2 before the lead investigation and determination is completed.

3 2. A claimant shall submit with the claimant's tax return all of the following
4 that are applicable to the claimant's claim:

5 a. If the lead investigation described under subd. 1. identified the presence of
6 a lead-bearing paint hazard in or on the dwelling or condominium unit, a copy of a
7 certificate of lead-free status issued with respect to the dwelling or condominium
8 unit that is first effective in the taxable year to which the claim relates.

9 b. If the lead investigation described under subd. 1. identified the presence of
10 a lead hazard other than a lead-bearing paint hazard in or on the dwelling, extended
11 dwelling, or condominium unit, proof of successful abatement issued with respect to
12 the dwelling, extended dwelling, or condominium unit that is first effective in the
13 taxable year to which the claim relates.

14 3. A certificate of lead-free status described under subd. 2. a. that is issued with
15 respect to a dwelling shall cover the entire dwelling.

16 4. Proof of successful abatement described under subd. 2. b. that is issued with
17 respect to a dwelling or extended dwelling shall cover the entire dwelling or extended
18 dwelling.

19 5. To claim a credit under this subsection with respect to a condominium unit,
20 in addition to a copy of the certificate of lead-free status and the proof of successful
21 abatement described under subd. 2., a claimant shall submit with the claimant's tax
22 return a copy of a certificate of lead-free status issued with respect to the
23 condominium's common elements, as defined in s. 703.02 (2), except that the
24 certificate need not cover any utility service connections that are common elements.

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1 6. Notwithstanding par. (b), if a residential condominium's association, as
2 defined in s. 703.02 (1m), paid for lead hazard abatement in or on the condominium's
3 common elements, as defined in s. 703.02 (2), the association may claim a credit
4 under this subsection even if the association does not own the common elements and
5 even if the common elements do not constitute a dwelling or extended dwelling or,
6 at the option of the association, the condominium's unit owners, as defined in s.
7 703.02 (17), may claim the credit in proportion to their percentage interests in the
8 common elements, as determined under s. 703.13. If the association elects to allow
9 the unit owners to claim the credit, the association shall compute the amount of the
10 credit that each of the unit owners may claim and shall provide that information to
11 each of them.

12 7. A claimant may only claim a credit under this subsection within the time
13 period specified under s. 71.75 (2).

14 8. The maximum aggregate amount that one or more claimants may claim
15 under this subsection and ss. 71.07 (8g) and 71.28 (8g) with respect to a particular
16 dwelling, extended dwelling, or condominium unit is \$1,500 per dwelling, extended
17 dwelling, or condominium unit, except that, if the dwelling or extended dwelling
18 contains more than one dwelling unit, the maximum aggregate amount is \$1,500 per
19 dwelling unit.

20 9. Partnerships, limited liability companies, and tax-option corporations may
21 not claim the credit under this subsection, but the eligibility for, and the amount of,
22 the credit are based on their payment of amounts described under par. (b), except
23 that for each dwelling, extended dwelling, or condominium unit owned by the entity
24 the aggregate amount of credits that the entity may compute may not exceed the
25 limitation under subd. 8. A partnership, limited liability company, or tax-option

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1 corporation shall compute the amount of the credit that each of its partners,
2 members, or shareholders may claim and shall provide that information to each of
3 them. Partners, members of limited liability companies, and shareholders of
4 tax-option corporations may claim the credit in proportion to their ownership
5 interests.

6 10. Housing cooperatives incorporated under ch. 185 or organized under ch.
7 193 may not claim the credit under this subsection, but the eligibility for, and the
8 amount of, the credit are based on their payment of amounts described under par.
9 (b), except that for each dwelling, extended dwelling, or condominium unit owned by
10 the entity the aggregate amount of credits that the entity may compute may not
11 exceed the limitation under subd. 8. A housing cooperative shall compute the
12 amount of the credit that each of its members may claim and shall provide that
13 information to each of them. Members may claim the credit in proportion to their
14 ownership interests.

15 11. If 2 or more persons own a dwelling, extended dwelling, or condominium
16 unit, each person may claim a credit under par. (b) in proportion to the person's
17 ownership interest, except that the aggregate amount of the credits claimed by all
18 persons who own the dwelling, extended dwelling, or condominium unit may not
19 exceed the limitation under subd. 8.

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

22 2. If a credit computed under this subsection is not entirely offset against taxes
23 otherwise due, the unused balance may be carried forward and credited against
24 taxes otherwise due for the following 7 taxable years to the extent not offset by taxes

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1 otherwise due in all intervening years between the year in which the expense was
2 incurred and the year in which the carry-forward credit is claimed.

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

4 71.49 (1) (am) Lead hazard abatement tax credit under s. 71.47 (8g).

5 **SECTION 12. Initial applicability.**

6 (1) This act first applies to taxable years beginning on January 1 of the year
7 in which this subsection takes effect, except that if this subsection takes effect after
8 July 31, this act first applies to taxable years beginning on January 1 of the year
9 following the year in which this subsection takes effect.

10 (END)