

Wisconsin's New Business Relocation Incentives

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New Law Provides Incentives For Business Relocations

As part of their "Wisconsin Is Open For Business" campaign, Wisconsin's government is working to pass legislation tailored to creating additional jobs in the state, as well as create incentives to bring new employers into the state. As part of these efforts, a new Business Relocation Incentives act was signed into law on January 31, 2011.



This law provides incentives under the personal, corporate, and franchise income tax statutes to businesses that relocate to Wisconsin. The law creates a deduction for business income earned by an individual, or passed through to an individual from a partnership, limited liability company (LLC), or S corporation, for tax years beginning after 2010. The deduction could be claimed by a business that relocates from another state or country and begins doing business in Wisconsin.

To qualify, the business would have to move either 51% or more of the work force payroll of the business or at least \$200,000 of wages paid to the work force to Wisconsin during the first taxable year to which the deduction or credit relates. The deduction or credit could be claimed for two consecutive tax years. However, the incentive would not be available if a claimant has done business in Wisconsin during any of the two taxable years preceding the first taxable year in which the deduction or credit would otherwise be allowed.

Additional Economic Development Tax Credits

In addition to the Business Relocation Incentives discussed above, an additional bill was signed into law that would add \$25 million to the state's Economic Development Tax Credit program, bringing it to \$98.1 million. The credits can go to businesses that locate or retain corporate headquarters in Wisconsin, create jobs, make capital investments, or train workers.

Please contact Senior Tax Manager Al Lopata at alopata@komisarbrady.com for information on how this and other Wisconsin tax legislation may affect you.