

State of Wisconsin



2025 Senate Bill 45

Date of enactment: July 3, 2025
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2025 WISCONSIN ACT 15

(Vetoed in Part)

AN ACT; relating to: state finances and appropriations, constituting the executive budget act of the 2025 legislature.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 13.48 (20x) of the statutes is created to read:

13.48 (20x) GRANTS FOR LOCAL CONSTRUCTION PROJECTS. (a) The building commission shall establish and operate a grant program under this subsection to assist nonstate organizations to carry out construction projects having a statewide public purpose. The building commission is prohibited from awarding a grant for a construction project under this subsection unless the commission finds that the project is in the public interest and serves one or more statewide public purposes.

(b) From the appropriation under s. 20.867 (3) (m), the building commission may award a grant to any nonstate organization for a construction project that satisfies par. (a).

(c) Before the building commission's initial review of each application for a grant under par. (b), the grant applicant shall demonstrate to the commission's satisfaction that the nonstate organization carrying out the project has secured additional funding for the project from nonstate revenue sources in an amount that is equal to at least 50 percent of the total cost of the project.

(d) If the building commission awards a grant under par. (b), and if, for any reason, the space that is con-

structed with funds from the grant is not used for one or more statewide public purposes determined by the building commission under par. (a), the state shall retain an ownership interest in the constructed space equal to the amount of the state's grant.

(e) The building commission is prohibited from awarding a grant under par. (b) unless the department of administration has reviewed and approved plans for the construction project associated with the grant. Notwithstanding ss. 16.85 (1) and 16.855 (1m), the department of administration is prohibited from supervising any services or work or let any contract for the project. Section 16.87 does not apply to the project.

(f) The building commission may not award grants under par. (b) totaling more than \$50,000,000 in the aggregate.

SECTION 2. 13.48 (31m) of the statutes is created to read:

13.48 (31m) MEDICAL COLLEGE OF WISCONSIN EYE INSTITUTE. (a) The legislature finds and determines that expanding research on eye disorders, developing new vision care treatments, enhancing vision education, addressing the growing demand for vision care and research, and creating jobs in this state is a statewide responsibility of statewide dimension. It is therefore in the public interest, and it is the public policy of this

* Section 991.11, WISCONSIN STATUTES: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication."

state, to assist the Medical College of Wisconsin, Inc., to construct and equip a new eye institute in the city of Wauwatosa.

(b) The building commission may authorize up to \$10,000,000 in general fund supported borrowing to assist the Medical College of Wisconsin, Inc., with the eye institute construction project specified in par. (a). The state funding commitment shall be in the form of a grant to the Medical College of Wisconsin, Inc. Before approving any state funding commitment for the project, the building commission shall determine that the Medical College of Wisconsin, Inc., has secured additional funding for the project of at least \$31,599,000 from non-state revenue sources.

(c) If the building commission authorizes a grant to the Medical College of Wisconsin, Inc., under par. (b), and if, for any reason, the facility that is constructed with funds from the grant is not used for purposes of an eye institute, the state shall retain an ownership interest in the facility equal to the amount of the state's grant.

SECTION 3. 13.94 (1) (t) of the statutes is amended to read:

13.94 (1) (t) Annually conduct a financial audit of the University of Wisconsin System. This audit shall also include an evaluation of compliance with the requirements under s. 36.11 (3) (b). The legislative audit bureau shall file a copy of each audit report under this paragraph with the distributees specified in par. (b).

SECTION 4. 13.94 (1) (zm) of the statutes is created to read:

13.94 (1) (zm) Biennially, beginning in 2027, prepare a performance evaluation audit of the program to accredit productions for purposes of ss. 71.07 (5f) and (5h), 71.28 (5f) and (5h), and 71.47 (5f) and (5h) by the state film office.

SECTION 5. 15.448 of the statutes is created to read:

15.448 Same; offices. (1) STATE FILM OFFICE. There is created a state film office in the department of tourism. The director of the office shall be appointed by the secretary of tourism.

SECTION 6. 16.004 (22) (b) of the statutes is amended to read:

16.004 (22) (b) From the appropriation under s. 20.855 (4) (dt), if the joint committee on finance approves a request for funding made jointly by the secretary and WisconsinEye, the secretary shall make ~~a payment~~ one or more payments in the form of a grant to WisconsinEye for the establishment of an endowment fund.

SECTION 7. 16.004 (22) (c) of the statutes is amended to read:

16.004 (22) (c) The department is prohibited from making a payment under par. (b) unless prior to ~~June 1,~~

~~2025 the date of the payment,~~ WisconsinEye has raised for the endowment fund from nonstate funding sources total amounts that at least equal the amount of the payment, ~~up to \$10,000,000.~~

SECTION 8. 16.007 (2m) of the statutes is created to read:

16.007 (2m) TIMELINE FOR CERTAIN CLAIMS. Any claim referred to the board that relates to a contract with the department of transportation for transportation infrastructure improvement or to a contract with the department of administration or the Board of Regents of the University of Wisconsin System that is awarded under s. 16.855 shall be heard by the claims board, and the claims board shall make a final determination upon the claim within 6 months from the date that the claim was referred to the claims board.

SECTION 9. 16.07 of the statutes is created to read:

16.07 County grants. From the appropriation under s. 20.505 (1) (kv), annually, the department shall award grants in equal amounts to each county in this state in which a federally recognized American Indian tribe or band is headquartered.

SECTION 10b. 16.088 (1) of the statutes is amended to read:

16.088 (1) Award grants to the Oneida Nation of Wisconsin to support the Healing to Wellness Court program at the Oneida Nation, in an amount up to \$259,100 annually and in an amount up to \$60,000 annually to conduct an intergovernmental training program.

SECTION 11. 16.5185 (3m) of the statutes is created to read:

16.5185 (3m) In addition to the transfer under sub. (3), on December 30, 2025, and on each December 30 thereafter, the secretary shall transfer from the local government fund to the transportation fund \$2,451,200.

SECTION 12. 16.5185 (5) of the statutes is created to read:

16.5185 (5) Beginning on June 30, 2026, in each fiscal year, the secretary shall transfer from the general fund to the transportation fund all moneys lapsed to the general fund under s. 20.145 (1) (g), but not to exceed \$6,000,000 in a fiscal year.

SECTION 13. 16.705 (1b) (g) of the statutes is created to read:

16.705 (1b) (g) The department of workforce development for the worker's compensation fee schedule activities specified under s. 102.423 (3) (am).

SECTION 14. 16.867 (2) of the statutes is amended to read:

16.867 (2) If the estimated cost of a construction project under the department's supervision is \$7,400,000 or more, the selection committee appointed

**Vetoed
In Part**

be made to the office in each taxable year for which accreditation or certification is desired.

(2) If the state film office accredits a production under sub. (1), the office shall determine the amount of the production's production expenditures, as defined in s. 71.07 (5f) (a) 4. The state film office shall not issue an accreditation or certification under sub. (1) without first receiving written confirmation from the applicant that the applicant has retained a certified public accountant located in this state to conduct periodic audits to ensure compliance with this section and ss. 71.07 (5f) and (5h), 71.28 (5f) and (5h), and 71.47 (5f) and (5h), as prescribed by rule by the office. An entity applying for a tax credit under s. 71.07 (5f), 71.28 (5f), or 71.47 (5f) that does not have its commercial domicile in this state shall indicate that on its application along with the amount of production expenditures it anticipates spending in this state and the amount of expenditures, if any, it anticipates spending in another state on the same production.

(3) The state film office shall notify the department of revenue of every production accredited under sub. (1), the amount of the production's production expenditures, as defined in s. 71.07 (5f) (a) 4., every certification issued under sub. (1), and the amount of the tax credits under ss. 71.07 (5f) and (5h), 71.28 (5f) and (5h), and 71.47 (5f) and (5h) allocated to the applicant for the taxable year for which the applicant's claim relates. The state film office shall notify the department of revenue under this subsection no later than 30 days after allocating tax credits to an applicant.

(4) The state film office may not allocate more than \$5,000,000 in tax credits under ss. 71.07 (5f) and (5h), 71.28 (5f) and (5h), and 71.47 (5f) and (5h) in each fiscal year and no more than \$1,000,000 in tax credits to any single applicant in each fiscal year.

(5) Each applicant who produces an accredited production, as defined in s. 71.07 (5f) (a) 1., that is eligible for a tax credit under s. 71.07 (5f), 71.28 (5f), or 71.47 (5f) shall include in the finished production an acknowledgment to the state of Wisconsin and the state film office as designed by the state film office, including a logo designed by the state film office.

(6) Annually, beginning in 2027, the state film office shall prepare a report specifying the number of persons who submitted tax credit applications in the previous year and the amount of the tax credits allocated to each such applicant. The report shall also provide recommendations and suggestions on improving the efficiency of the program implemented under this section. The office shall submit the report to the legislature, in the manner provided under s. 13.172 (2), no later than April 30 each year.

(7) The department shall promulgate rules to administer this section.

SECTION 142. 45.41 (5) of the statutes is amended to read:

45.41 (5) From the appropriation under s. 20.485 (2) (vs), the department may annually grant ~~up to \$75,000~~ to the Wisconsin department of the American Legion up to \$100,000 for the operation of Camp American Legion.

SECTION 142n. 45.75 (9) of the statutes is created to read:

45.75 (9) (a) The memorial board may request from the department funds from the appropriation account under s. 20.485 (2) (b) for one or more purposes specified under par. (b). In a request for funds under this paragraph, the memorial board must include all of the following:

1. A description of the purpose for which the memorial board is requesting the funds and the memorial board's intended use of the requested funds.

2. A written averment from the memorial board that it has, or has a written financial commitment to receive, a full match of the amount of funds it is requesting from the department, which matching funds the memorial board will ensure are used to meet at least half of the memorial board's total anticipated cost for the purpose for which the memorial board is requesting funds.

(b) Funds requested under par. (a) may be used by a war memorial established under sub. (1) for any of the following purposes:

1. Expenses relating to the operation of the war memorial, including memorials, capital projects, exhibits, programs, salaries, and insurance.

2. Maintenance, repairs, development, construction, or improvements of the war memorial's facilities, properties, or grounds or other property owned, operated, or maintained by the war memorial.

(c) Within 60 days of a memorial board's request for funds under par. (a), the department shall review the request and determine whether to fully or partially approve the request, request more information from the memorial board, or deny the request if the request does not meet the requirements under par. (a). Upon the department's full or partial approval of a request made under this paragraph, the department shall within 30 days provide to the war memorial the approved funds. Upon the department's full or partial denial of a request made under this paragraph, the memorial board may within 90 days request that the department revisit and review its denial decision.

(d) By the end of each fiscal year in which a memorial board receives funds from the department as the result of a request made under par. (a), the memorial board shall submit a report to the joint committee on finance

under subs. (1p) (d), (1q) (c), and (2) (g) 4., (h) 4., (i) 3., and (j) 3., and the dollar amount in the top bracket under subs. (1p) (e), (1q) (d), and (2) (g) 5., (h) 5., (i) 4., and (j) 4., shall be increased each year by a percentage equal to the percentage change between the U.S. consumer price index for all urban consumers, U.S. city average, for the month of August of the previous year and the U.S. consumer price index for all urban consumers, U.S. city average, for the month of August 2008, as determined by the federal department of labor, except that for taxable years beginning after December 31, 2011, the adjustment may occur only if the resulting amount is greater than the corresponding amount that was calculated for the previous year.

SECTION 230. 71.06 (2e) (bm) of the statutes is created to read:

71.06 (2e) (bm) For taxable years beginning after December 31, 2025, the maximum dollar amount in each tax bracket, and the corresponding minimum dollar amount in the next bracket, under subs. (1r) and (2) (k) and (L), shall be increased each year by a percentage equal to the percentage change between the U.S. consumer price index for all urban consumers, U.S. city average, for the month of August of the previous year and the U.S. consumer price index for all urban consumers, U.S. city average, for the month of August 2024, as determined by the federal department of labor, except that the adjustment may occur only if the resulting amount is greater than the corresponding amount that was calculated for the previous year.

SECTION 231. 71.06 (2m) of the statutes is amended to read:

71.06 (2m) RATE CHANGES. If a rate under sub. ~~(4), (1m), (1n), (1p), (1q), (1r)~~ or (2) (k) or (L) changes during a taxable year, the taxpayer shall compute the tax for that taxable year by the methods applicable to the federal income tax under section 15 of the Internal Revenue Code.

SECTION 232. 71.06 (2s) (d) of the statutes is amended to read:

71.06 (2s) (d) For taxable years beginning after December 31, 2000, with respect to nonresident individuals, including individuals changing their domicile into or from this state, the tax brackets under subs. (1p), (1q), ~~(1r)~~, and (2) (g), (h), (i), ~~and (j), (k), and (L)~~ shall be multiplied by a fraction, the numerator of which is Wisconsin adjusted gross income and the denominator of which is federal adjusted gross income. In this paragraph, for married persons filing separately “adjusted gross income” means the separate adjusted gross income of each spouse, and for married persons filing jointly “adjusted gross income” means the total adjusted gross income of both spouses. If an individual and that

individual’s spouse are not both domiciled in this state during the entire taxable year, the tax brackets under subs. (1p), (1q), ~~(1r)~~, and (2) (g), (h), (i), ~~and (j), (k), and (L)~~ on a joint return shall be multiplied by a fraction, the numerator of which is their joint Wisconsin adjusted gross income and the denominator of which is their joint federal adjusted gross income.

SECTION 233. 71.07 (5f) of the statutes is created to read:

71.07 (5f) FILM PRODUCTION SERVICES CREDIT. (a) *Definitions.* In this subsection:

1. “Accredited production” means a film, video, broadcast advertisement, or television production, as approved by the state film office, for which the aggregate salary and wages included in the cost of the production for the period ending 12 months after the month in which the principal filming or taping of the production begins exceeds \$100,000 for a production that is 30 minutes or longer or \$50,000 for a production that is less than 30 minutes. “Accredited production” includes a scripted, unscripted, reality, or competition production, but does not include any of the following, regardless of the production costs:

- a. News, current events, or public programming or a program that includes weather or market reports.
- b. A talk show.
- c. A sports event or sports activity.
- d. A gala presentation or awards show.
- e. A finished production that solicits funds.
- f. A production for which the production company is required under 18 USC 2257 to maintain records with respect to a performer portrayed in a single media or multimedia program.
- g. A production produced primarily for industrial, corporate, or institutional purposes.

2. “Claimant” means a film production company, as defined in sub. (5h) (a) 2., that operates an accredited production in this state, if the company owns the copyright in the accredited production or has contracted directly with the copyright owner or a person acting on the owner’s behalf and if the company has a viable plan, as determined by the state film office, for the commercial distribution of the finished production.

3. “Commercial domicile” means the location from which a trade or business is principally managed and directed, based on any factors the state film office determines are appropriate, including the location where the greatest number of employees of the trade or business work, the trade or business has its office or base of operations, or from which the employees are directed or controlled.

4. “Production expenditures” means any expenditures that are incurred in this state and directly used to produce an accredited production, including expendi-

tures for writing, budgeting, casting, location scouts, set construction and operation, wardrobes, makeup, clothing accessories, photography, sound recording, sound synchronization, sound mixing, lighting, editing, film processing, film transferring, special effects, visual effects, renting or leasing facilities or equipment, renting or leasing motor vehicles, food, lodging, and any other similar pre-production, production, and post-production expenditure as determined by the state film office. "Production expenditures" includes expenditures for music that is performed, composed, or recorded by a musician who is a resident of this state or published or distributed by an entity that has its commercial domicile in this state; air travel that is purchased from a travel agency or company that has its commercial domicile in this state; and insurance that is purchased from an insurance agency or company that has its commercial domicile in this state. "Production expenditures" does not include salary or wages or expenditures for the marketing and distribution of an accredited production.

(b) *Filing claims.* Subject to the limitations provided in this subsection, for taxable years beginning after December 31, 2025, a claimant may claim as a credit against the tax imposed under s. 71.02 any of the following amounts:

1. To the extent the salary or wages are not claimed under subd. 2., an amount equal to 30 percent of the salary or wages paid by the claimant to the claimant's employees in the taxable year for services rendered in this state to produce an accredited production and paid to employees who were residents of this state at the time that they were paid.

2. An amount equal to 30 percent of the production expenditures paid by the claimant in the taxable year to produce an accredited production.

3. An amount equal to the taxes imposed under ss. 77.52 and 77.53, to the extent those taxes are not used in claiming a credit under subd. 2., that the claimant paid in the taxable year on the purchase of tangible personal property and taxable services that are used directly in producing an accredited production in this state, including all stages from the final script stage to the distribution of the finished production.

(c) *Limitations.* 1. No amount of the salary or wages paid under par. (b) 1. may be the basis for a credit under this subsection unless the salary or wages are paid for services rendered after December 31, 2025, and directly incurred to produce the accredited production.

2. The total amount of the credits that may be claimed by a claimant under par. (b) 1. shall not exceed an amount equal to the first \$250,000 of salary or wages paid to each of the claimant's employees, as described in par. (b) 1., in the taxable year, not including the salary or wages paid to the claimant's 2 highest-paid employees,

as described in par. (b) 1., in the taxable year, if the claimant's budgeted production expenditures are \$1,000,000 or more.

3. No credit may be allowed under this subsection unless the claimant files an application with the state film office, at the time and in the manner prescribed by the office, and the office approves the application. The claimant shall submit a copy of the approved application with the claimant's return.

4. Partnerships, limited liability companies, and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit are based on their payment of amounts under par. (b). A partnership, limited liability company, or tax-option corporation shall compute the amount of credit that each of its partners, members, or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interest.

(d) *Administration.* 1. Section 71.28 (4) (e), (g), and (h), as it applies to the credit under s. 71.28 (4), applies to the credits under this subsection. Section 71.28 (4) (f), as it applies to the credit under s. 71.28 (4), applies to the credits under par. (b) 1. and 3.

2. If the allowable amount of the claim under par. (b) 2. exceeds the tax otherwise due under s. 71.02 or no tax is due under s. 71.02, the amount of the claim not used to offset the tax due shall be certified by the department of revenue to the department of administration for payment by check, share draft, or other draft drawn from the appropriation account under s. 20.835 (2) (bm).

3. Any person, including a nonprofit entity described in section 501 (c) (3) of the Internal Revenue Code, may sell or otherwise transfer a credit under par. (b) 1. or 3., in whole or in part, to another person who is subject to the taxes imposed under s. 71.02, 71.23, or 71.43, if the person notifies the department of the transfer, and submits with the notification a copy of the transfer documents, and the department certifies ownership of the credit. The transferee may first use the credit to offset tax of the transferor in the taxable year in which the transfer occurs and may use the credit only to offset tax in taxable years in which the credit is otherwise allowed to be claimed and carried forward by the original claimant.

4. Notwithstanding s. 71.82, no interest shall be paid on a refund based on an amount certified under this subsection.

SECTION 234. 71.07 (5h) of the statutes is created to read:

71.07 (5h) FILM PRODUCTION COMPANY INVESTMENT CREDIT. (a) *Definitions*. In this subsection:

1. “Claimant” means a person who files a claim under this subsection and who does business in this state as a film production company.

2. “Film production company” means an entity that creates films, videos, broadcast advertisement, or television productions, not including the productions described in sub. (5f) (a) 1. a. to g.

3. “Physical work” does not include preliminary activities such as planning, designing, securing financing, researching, developing specifications, or stabilizing property to prevent deterioration.

4. “Previously owned property” means real property that the claimant or a related person owned during the 2 years prior to doing business in this state as a film production company and for which the claimant may not deduct a loss from the sale of the property to, or an exchange of the property with, the related person under section 267 of the Internal Revenue Code.

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

(b) *Filing claims*. Subject to the limitations provided in this subsection, for taxable years beginning after December 31, 2025, a claimant may claim as a credit against the tax imposed under s. 71.02, up to the amount of the taxes, for the first 3 taxable years that the claimant is doing business in this state as a film production company, an amount that is equal to 30 percent of the following that the claimant paid in the taxable year to establish a film production company in this state:

1. The purchase price of depreciable, tangible personal property.

2. The amount expended to acquire, construct, rehabilitate, remodel, or repair real property.

(c) *Limitations*. 1. A claimant may claim the credit under par. (b) 1., if the tangible personal property is purchased after December 31, 2025, and the personal property is used exclusively in the claimant’s business as a film production company.

2. A claimant may claim the credit under par. (b) 2. for an amount expended to construct, rehabilitate, remodel, or repair real property, if the claimant began the physical work of construction, rehabilitation, remodeling, or repair, or any demolition or destruction in preparation for the physical work, after December 31, 2025, or if the completed project is placed in service after December 31, 2025.

3. A claimant may claim the credit under par. (b) 2. for an amount expended to acquire real property, if the property is not previously owned property and if the claimant acquires the property after December 31,

2025, or if the completed project is placed in service after December 31, 2025.

4. No claim may be allowed under this subsection unless the state film office certifies, in writing, that the credits claimed under this subsection are for expenses related to establishing a film production company in this state and the claimant submits a copy of the certification with the claimant’s return.

5. No credit may be allowed under this subsection for any amount that the claimant paid for expenses described in par. (b) that the claimant used to claim a credit under sub. (5f).

6. Partnerships, limited liability companies, and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit are based on their payment of amounts under par. (b). A partnership, limited liability company, or tax-option corporation shall compute the amount of credit that each of its partners, members, or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interests.

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

2. Any person, including a nonprofit entity described in section 501 (c) (3) of the Internal Revenue Code, may sell or otherwise transfer a credit under this subsection, in whole or in part, to another person who is subject to the taxes imposed under s. 71.02, 71.23, or 71.43, if the person notifies the department of the transfer, and submits with the notification a copy of the transfer documents, and the department certifies ownership of the credit. The transferee may first use the credit to offset tax of the transferor in the taxable year in which the transfer occurs and may use the credit only to offset tax in taxable years in which the credit is otherwise allowed to be claimed and carried forward by the original claimant.

3. Notwithstanding s. 71.82, no interest shall be paid on a refund based on an amount certified under this subsection.

SECTION 235. 71.10 (4) (fs) of the statutes is created to read:

71.10 (4) (fs) Film production company investment credit under s. 71.07 (5h).

SECTION 236. 71.10 (4) (ft) of the statutes is created to read:

71.10 (4) (ft) Film production services credit under s. 71.07 (5f) (b) 1. and 3.

SECTION 237. 71.10 (4) (i) of the statutes is amended to read:

71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland preservation credit under ss. 71.57 to 71.61, farmland preservation credit, 2010 and beyond under s. 71.613, homestead credit under subch. VIII, jobs tax credit under s. 71.07 (3q), business development credit under s. 71.07 (3y), research credit under s. 71.07 (4k) (e) 2. a., film production services credit under s. 71.07 (5f) (b) 2., veterans and surviving spouses property tax credit under s. 71.07 (6e), enterprise zone jobs credit under s. 71.07 (3w), electronics and information technology manufacturing zone credit under s. 71.07 (3wm), earned income tax credit under s. 71.07 (9e), estimated tax payments under s. 71.09, and taxes withheld under subch. X.

SECTION 238. 71.125 (1) of the statutes is amended to read:

71.125 (1) Except as provided in sub. (2), the tax imposed by this chapter on individuals and the rates under s. 71.06 (1), (1m), (1n), (1p), (1q), (1r), and (2) shall apply to the Wisconsin taxable income of estates or trusts, except nuclear decommissioning trust or reserve funds, and that tax shall be paid by the fiduciary.

SECTION 239. 71.125 (2) of the statutes is amended to read:

71.125 (2) Each electing small business trust, as defined in section 1361 (e) (1) of the Internal Revenue Code, is subject to tax at the highest rate under s. 71.06 (1), (1m), (1n), (1p), ~~or (1q)~~, or (1r), whichever taxable year is applicable, on its income as computed under section 641 of the Internal Revenue Code, as modified by s. 71.05 (6) to (12), (19) and (20).

SECTION 240. 71.17 (6) of the statutes is amended to read:

71.17 (6) FUNERAL TRUSTS. If a qualified funeral trust makes the election under section 685 of the Internal Revenue Code for federal income tax purposes, that election applies for purposes of this chapter and each trust shall compute its own tax and shall apply the rates under s. 71.06 (1), (1m), (1n), (1p), ~~or (1q)~~, or (1r).

SECTION 241. 71.21 (4) (a) of the statutes is amended to read:

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

SECTION 242. 71.26 (2) (a) 4. of the statutes is amended to read:

71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dm), (1dx), (1dy), (3g), (3h), (3n), (3q), (3t), (3w), (3wm), (3y), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), 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, limited liability company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g).

SECTION 243. 71.28 (5f) of the statutes is created to read:

71.28 (5f) FILM PRODUCTION SERVICES CREDIT. (a) *Definitions.* In this subsection:

1. "Accredited production" means a film, video, broadcast advertisement, or television production, as approved by the state film office, for which the aggregate salary and wages included in the cost of the production for the period ending 12 months after the month in which the principal filming or taping of the production begins exceeds \$100,000 for a production that is 30 minutes or longer or \$50,000 for a production that is less than 30 minutes. "Accredited production" includes a scripted, unscripted, reality, or competition production, but does not include any of the following, regardless of the production costs:

- News, current events, or public programming or a program that includes weather or market reports.
- A talk show.
- A sports event or sports activity.
- A gala presentation or awards show.
- A finished production that solicits funds.
- A production for which the production company is required under 18 USC 2257 to maintain records with respect to a performer portrayed in a single media or multimedia program.
- A production produced primarily for industrial, corporate, or institutional purposes.

2. "Claimant" means a film production company, as defined in sub. (5h) (a) 2., that operates an accredited production in this state, if the company owns the copyright in the accredited production or has contracted directly with the copyright owner or a person acting on the owner's behalf and if the company has a viable plan, as determined by the state film office, for the commercial distribution of the finished production.

3. "Commercial domicile" means the location from which a trade or business is principally managed and directed, based on any factors the state film office determines are appropriate, including the location where the greatest number of employees of the trade or business work, the trade or business has its office or base of operations, or from which the employees are directed or controlled.

4. "Production expenditures" means any expenditures that are incurred in this state and directly used to produce an accredited production, including expenditures for writing, budgeting, casting, location scouts, set construction and operation, wardrobes, makeup, cloth-

ing accessories, photography, sound recording, sound synchronization, sound mixing, lighting, editing, film processing, film transferring, special effects, visual effects, renting or leasing facilities or equipment, renting or leasing motor vehicles, food, lodging, and any other similar pre-production, production, and post-production expenditure as determined by the state film office. "Production expenditures" includes expenditures for music that is performed, composed, or recorded by a musician who is a resident of this state or published or distributed by an entity that has its commercial domicile in this state; air travel that is purchased from a travel agency or company that has its commercial domicile in this state; and insurance that is purchased from an insurance agency or company that has its commercial domicile in this state. "Production expenditures" does not include salary or wages or expenditures for the marketing and distribution of an accredited production.

(b) *Filing claims.* Subject to the limitations provided in this subsection, for taxable years beginning after December 31, 2025, a claimant may claim as a credit against the tax imposed under s. 71.23 any of the following amounts:

1. To the extent the salary or wages are not claimed under subd. 2., an amount equal to 30 percent of the salary or wages paid by the claimant to the claimant's employees in the taxable year for services rendered in this state to produce an accredited production and paid to employees who were residents of this state at the time that they were paid.

2. An amount equal to 30 percent of the production expenditures paid by the claimant in the taxable year to produce an accredited production.

3. An amount equal to the taxes imposed under ss. 77.52 and 77.53, to the extent those taxes are not used in claiming a credit under subd. 2., that the claimant paid in the taxable year on the purchase of tangible personal property and taxable services that are used directly in producing an accredited production in this state, including all stages from the final script stage to the distribution of the finished production.

(c) *Limitations.* 1. No amount of the salary or wages paid under par. (b) 1. may be the basis for a credit under this subsection unless the salary or wages are paid for services rendered after December 31, 2025, and directly incurred to produce the accredited production.

2. The total amount of the credits that may be claimed by a claimant under par. (b) 1. shall not exceed an amount equal to the first \$250,000 of salary or wages paid to each of the claimant's employees, as described in par. (b) 1., in the taxable year, not including the salary or wages paid to the claimant's 2 highest-paid employees, as described in par. (b) 1., in the taxable year, if the

claimant's budgeted production expenditures are \$1,000,000 or more.

3. No credit may be allowed under this subsection unless the claimant files an application with the state film office, at the time and in the manner prescribed by the office, and the office approves the application. The claimant shall submit a copy of the approved application with the claimant's return.

4. Partnerships, limited liability companies, and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit are based on their payment of amounts under par. (b). A partnership, limited liability company, or tax-option corporation shall compute the amount of credit that each of its partners, members, or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interest.

(d) *Administration.* 1. Subsection (4) (e), (g), and (h), as it applies to the credit under sub. (4), applies to the credits under this subsection. Subsection (4) (f), as it applies to the credit under sub. (4), applies to the credits under par. (b) 1. and 3.

2. If the allowable amount of the claim under par. (b) 2. exceeds the tax otherwise due under s. 71.23 or no tax is due under s. 71.23, the amount of the claim not used to offset the tax due shall be certified by the department of revenue to the department of administration for payment by check, share draft, or other draft drawn from the appropriation account under s. 20.835 (2) (bm).

3. Any person, including a nonprofit entity described in section 501 (c) (3) of the Internal Revenue Code, may sell or otherwise transfer a credit under par. (b) 1. or 3., in whole or in part, to another person who is subject to the taxes imposed under s. 71.02, 71.23, or 71.43, if the person notifies the department of the transfer, and submits with the notification a copy of the transfer documents, and the department certifies ownership of the credit. The transferee may first use the credit to offset tax of the transferor in the taxable year in which the transfer occurs and may use the credit only to offset tax in taxable years in which the credit is otherwise allowed to be claimed and carried forward by the original claimant.

4. Notwithstanding s. 71.82, no interest shall be paid on a refund based on an amount certified under this subsection.

SECTION 244. 71.28 (5h) of the statutes is created to read:

71.28 (5h) FILM PRODUCTION COMPANY INVESTMENT CREDIT. (a) *Definitions.* In this subsection:

1. “Claimant” means a person who files a claim under this subsection and who does business in this state as a film production company.

2. “Film production company” means an entity that creates films, videos, broadcast advertisement, or television productions, not including the productions described in sub. (5f) (a) 1. a. to g.

3. “Physical work” does not include preliminary activities such as planning, designing, securing financing, researching, developing specifications, or stabilizing property to prevent deterioration.

4. “Previously owned property” means real property that the claimant or a related person owned during the 2 years prior to doing business in this state as a film production company and for which the claimant may not deduct a loss from the sale of the property to, or an exchange of the property with, the related person under section 267 of the Internal Revenue Code.

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

(b) *Filing claims.* Subject to the limitations provided in this subsection, for taxable years beginning after December 31, 2025, a claimant may claim as a credit against the tax imposed under s. 71.23, up to the amount of the taxes, for the first 3 taxable years that the claimant is doing business in this state as a film production company, an amount that is equal to 30 percent of the following that the claimant paid in the taxable year to establish a film production company in this state:

1. The purchase price of depreciable, tangible personal property.

2. The amount expended to acquire, construct, rehabilitate, remodel, or repair real property.

(c) *Limitations.* 1. A claimant may claim the credit under par. (b) 1., if the tangible personal property is purchased after December 31, 2025, and the personal property is used exclusively in the claimant’s business as a film production company.

2. A claimant may claim the credit under par. (b) 2. for an amount expended to construct, rehabilitate, remodel, or repair real property, if the claimant began the physical work of construction, rehabilitation, remodeling, or repair, or any demolition or destruction in preparation for the physical work, after December 31, 2025, or if the completed project is placed in service after December 31, 2025.

3. A claimant may claim the credit under par. (b) 2. for an amount expended to acquire real property, if the property is not previously owned property and if the claimant acquires the property after December 31, 2025, or if the completed project is placed in service after December 31, 2025.

4. No claim may be allowed under this subsection

unless the state film office certifies, in writing, that the credits claimed under this subsection are for expenses related to establishing a film production company in this state and the claimant submits a copy of the certification with the claimant’s return.

5. No credit may be allowed under this subsection for any amount that the claimant paid for expenses described in par. (b) that the claimant used to claim a credit under sub. (5f).

6. Partnerships, limited liability companies, and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit are based on their payment of amounts under par. (b). A partnership, limited liability company, or tax-option corporation shall compute the amount of credit that each of its partners, members, or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interests.

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

2. Any person, including a nonprofit entity described in section 501 (c) (3) of the Internal Revenue Code, may sell or otherwise transfer a credit under this subsection, in whole or in part, to another person who is subject to the taxes imposed under s. 71.02, 71.23, or 71.43, if the person notifies the department of the transfer, and submits with the notification a copy of the transfer documents, and the department certifies ownership of the credit. The transferee may first use the credit to offset tax of the transferor in the taxable year in which the transfer occurs and may use the credit only to offset tax in taxable years in which the credit is otherwise allowed to be claimed and carried forward by the original claimant.

3. Notwithstanding s. 71.82, no interest shall be paid on a refund based on an amount certified under this subsection.

SECTION 245. 71.30 (3) (epr) of the statutes is created to read:

71.30 (3) (epr) Film production company investment credit under s. 71.28 (5h).

SECTION 246. 71.30 (3) (eps) of the statutes is created to read:

71.30 (3) (eps) Film production services credit under s. 71.28 (5f) (b) 1. and 3.

SECTION 247. 71.30 (3) (f) of the statutes is amended to read:

71.30 (3) (f) The total of farmland preservation credit under subch. IX, jobs credit under s. 71.28 (3q),

enterprise zone jobs credit under s. 71.28 (3w), electronics and information technology manufacturing zone credit under s. 71.28 (3wm), business development credit under s. 71.28 (3y), research credit under s. 71.28 (4) (k) 1., film production services credit under s. 71.28 (5f) (b) 2., and estimated tax payments under s. 71.29.

SECTION 248. 71.34 (1k) (g) of the statutes is amended to read:

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

SECTION 249. 71.45 (2) (a) 10. of the statutes is amended to read:

71.45 (2) (a) 10. By adding to federal taxable income the amount of credit computed under s. 71.47 (1dm) to (1dy), (3g), (3h), (3n), (3q), (3w), (3y), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), 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, limited liability company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g) and the amount of credit computed under s. 71.47 (3), (3t), (4), (4m), and (5).

SECTION 250. 71.47 (5f) of the statutes is created to read:

71.47 (5f) FILM PRODUCTION SERVICES CREDIT. (a) *Definitions.* In this subsection:

1. "Accredited production" means a film, video, broadcast advertisement, or television production, as approved by the state film office, for which the aggregate salary and wages included in the cost of the production for the period ending 12 months after the month in which the principal filming or taping of the production begins exceeds \$100,000 for a production that is 30 minutes or longer or \$50,000 for a production that is less than 30 minutes. "Accredited production" includes a scripted, unscripted, reality, or competition production, but does not include any of the following, regardless of the production costs:

- a. News, current events, or public programming or a program that includes weather or market reports.
- b. A talk show.
- c. A sports event or sports activity.
- d. A gala presentation or awards show.
- e. A finished production that solicits funds.
- f. A production for which the production company is required under 18 USC 2257 to maintain records with respect to a performer portrayed in a single media or multimedia program.

g. A production produced primarily for industrial, corporate, or institutional purposes.

2. "Claimant" means a film production company, as defined in sub. (5h) (a) 2., that operates an accredited production in this state, if the company owns the copyright in the accredited production or has contracted directly with the copyright owner or a person acting on the owner's behalf and if the company has a viable plan, as determined by the state film office, for the commercial distribution of the finished production.

3. "Commercial domicile" means the location from which a trade or business is principally managed and directed, based on any factors the state film office determines are appropriate, including the location where the greatest number of employees of the trade or business work, the trade or business has its office or base of operations, or from which the employees are directed or controlled.

4. "Production expenditures" means any expenditures that are incurred in this state and directly used to produce an accredited production, including expenditures for writing, budgeting, casting, location scouts, set construction and operation, wardrobes, makeup, clothing accessories, photography, sound recording, sound synchronization, sound mixing, lighting, editing, film processing, film transferring, special effects, visual effects, renting or leasing facilities or equipment, renting or leasing motor vehicles, food, lodging, and any other similar pre-production, production, and post-production expenditure as determined by the state film office. "Production expenditures" includes expenditures for music that is performed, composed, or recorded by a musician who is a resident of this state or published or distributed by an entity that has its commercial domicile in this state; air travel that is purchased from a travel agency or company that has its commercial domicile in this state; and insurance that is purchased from an insurance agency or company that has its commercial domicile in this state. "Production expenditures" does not include salary or wages or expenditures for the marketing and distribution of an accredited production.

(b) *Filing claims.* Subject to the limitations provided in this subsection, for taxable years beginning after December 31, 2025, a claimant may claim as a credit against the tax imposed under s. 71.43 any of the following amounts:

- 1. To the extent the salary or wages are not claimed under subd. 2., an amount equal to 30 percent of the salary or wages paid by the claimant to the claimant's employees in the taxable year for services rendered in this state to produce an accredited production and paid to employees who were residents of this state at the time that they were paid.
- 2. An amount equal to 30 percent of the production

expenditures paid by the claimant in the taxable year to produce an accredited production.

3. An amount equal to the taxes imposed under ss. 77.52 and 77.53, to the extent those taxes are not used in claiming a credit under subd. 2., that the claimant paid in the taxable year on the purchase of tangible personal property and taxable services that are used directly in producing an accredited production in this state, including all stages from the final script stage to the distribution of the finished production.

(c) *Limitations.* 1. No amount of the salary or wages paid under par. (b) 1. may be the basis for a credit under this subsection unless the salary or wages are paid for services rendered after December 31, 2025, and directly incurred to produce the accredited production.

2. The total amount of the credits that may be claimed by a claimant under par. (b) 1. shall not exceed an amount equal to the first \$250,000 of salary or wages paid to each of the claimant's employees, as described in par. (b) 1., in the taxable year, not including the salary or wages paid to the claimant's 2 highest-paid employees, as described in par. (b) 1., in the taxable year, if the claimant's budgeted production expenditures are \$1,000,000 or more.

3. No credit may be allowed under this subsection unless the claimant files an application with the state film office, at the time and in the manner prescribed by the office, and the office approves the application. The claimant shall submit a copy of the approved application with the claimant's return.

4. Partnerships, limited liability companies, and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit are based on their payment of amounts under par. (b). A partnership, limited liability company, or tax-option corporation shall compute the amount of credit that each of its partners, members, or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interest.

(d) *Administration.* 1. Section 71.28 (4) (e), (g), and (h), as it applies to the credit under s. 71.28 (4), applies to the credits under this subsection. Section 71.28 (4) (f), as it applies to the credit under s. 71.28 (4), applies to the credits under par. (b) 1. and 3.

2. If the allowable amount of the claim under par. (b) 2. exceeds the tax otherwise due under s. 71.43 or no tax is due under s. 71.43, the amount of the claim not used to offset the tax due shall be certified by the department of revenue to the department of administration for payment by check, share draft, or other draft drawn

from the appropriation account under s. 20.835 (2) (bm).

3. Any person, including a nonprofit entity described in section 501 (c) (3) of the Internal Revenue Code, may sell or otherwise transfer a credit under par. (b) 1. or 3., in whole or in part, to another person who is subject to the taxes imposed under s. 71.02, 71.23, or 71.43, if the person notifies the department of the transfer, and submits with the notification a copy of the transfer documents, and the department certifies ownership of the credit. The transferee may first use the credit to offset tax of the transferor in the taxable year in which the transfer occurs and may use the credit only to offset tax in taxable years in which the credit is otherwise allowed to be claimed and carried forward by the original claimant.

4. Notwithstanding s. 71.82, no interest shall be paid on a refund based on an amount certified under this subsection.

SECTION 251. 71.47 (5h) of the statutes is created to read:

71.47 (5h) FILM PRODUCTION COMPANY INVESTMENT CREDIT. (a) *Definitions.* In this subsection:

1. "Claimant" means a person who files a claim under this subsection and who does business in this state as a film production company.

2. "Film production company" means an entity that creates films, videos, broadcast advertisement, or television productions, not including the productions described in sub. (5f) (a) 1. a. to g.

3. "Physical work" does not include preliminary activities such as planning, designing, securing financing, researching, developing specifications, or stabilizing property to prevent deterioration.

4. "Previously owned property" means real property that the claimant or a related person owned during the 2 years prior to doing business in this state as a film production company and for which the claimant may not deduct a loss from the sale of the property to, or an exchange of the property with, the related person under section 267 of the Internal Revenue Code.

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

(b) *Filing claims.* Subject to the limitations provided in this subsection, for taxable years beginning after December 31, 2025, a claimant may claim as a credit against the tax imposed under s. 71.43, up to the amount of the taxes, for the first 3 taxable years that the claimant is doing business in this state as a film production company, an amount that is equal to 30 percent of the following that the claimant paid in the taxable year to establish a film production company in this state:

1. The purchase price of depreciable, tangible personal property.

2. The amount expended to acquire, construct, rehabilitate, remodel, or repair real property.

(c) *Limitations.* 1. A claimant may claim the credit under par. (b) 1., if the tangible personal property is purchased after December 31, 2025, and the personal property is used exclusively in the claimant's business as a film production company.

2. A claimant may claim the credit under par. (b) 2. for an amount expended to construct, rehabilitate, remodel, or repair real property, if the claimant began the physical work of construction, rehabilitation, remodeling, or repair, or any demolition or destruction in preparation for the physical work, after December 31, 2025, or if the completed project is placed in service after December 31, 2025.

3. A claimant may claim the credit under par. (b) 2. for an amount expended to acquire real property, if the property is not previously owned property and if the claimant acquires the property after December 31, 2025, or if the completed project is placed in service after December 31, 2025.

4. No claim may be allowed under this subsection unless the state film office certifies, in writing, that the credits claimed under this subsection are for expenses related to establishing a film production company in this state and the claimant submits a copy of the certification with the claimant's return.

5. No credit may be allowed under this subsection for any amount that the claimant paid for expenses described in par. (b) that the claimant used to claim a credit under sub. (5f).

6. Partnerships, limited liability companies, and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit are based on their payment of amounts under par. (b). A partnership, limited liability company, or tax-option corporation shall compute the amount of credit that each of its partners, members, or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interests.

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

2. Any person, including a nonprofit entity described in section 501 (c) (3) of the Internal Revenue Code, may sell or otherwise transfer a credit under this subsection, in whole or in part, to another person who is subject to the taxes imposed under s. 71.02, 71.23, or 71.43, if the person notifies the department of the trans-

fer, and submits with the notification a copy of the transfer documents, and the department certifies ownership of the credit. The transferee may first use the credit to offset tax of the transferor in the taxable year in which the transfer occurs and may use the credit only to offset tax in taxable years in which the credit is otherwise allowed to be claimed and carried forward by the original claimant.

3. Notwithstanding s. 71.82, no interest shall be paid on a refund based on an amount certified under this subsection.

SECTION 252. 71.49 (1) (epr) of the statutes is created to read:

71.49 (1) (epr) Film production company investment credit under s. 71.47 (5h).

SECTION 253. 71.49 (1) (eps) of the statutes is created to read:

71.49 (1) (eps) Film production services credit under s. 71.47 (5f) (b) 1. and 3.

SECTION 254. 71.49 (1) (f) of the statutes is amended to read:

71.49 (1) (f) The total of farmland preservation credit under subch. IX, jobs credit under s. 71.47 (3q), enterprise zone jobs credit under s. 71.47 (3w), business development credit under s. 71.47 (3y), research credit under s. 71.47 (4) (k) 1., film production services credit under s. 71.47 (5f) (b) 2., and estimated tax payments under s. 71.48.

SECTION 255. 71.64 (9) (b) (intro.) of the statutes is amended to read:

71.64 (9) (b) (intro.) The department shall from time to time adjust the withholding tables to reflect any changes in income tax rates, any applicable surtax or any changes in dollar amounts in s. 71.06 (1), (1m), (1n), (1p), (1q), (1r), and (2) resulting from statutory changes, except as follows:

SECTION 256. 71.67 (5) (a) of the statutes is amended to read:

71.67 (5) (a) *Wager winnings.* A person holding a license to sponsor and manage races under s. 562.05 (1) (b) or (c) shall withhold from the amount of any payment of pari-mutuel winnings under s. 562.065 (3) (a) or (3m) (a) an amount determined by multiplying the amount of the payment by the highest rate applicable to individuals under s. 71.06 (1) (a) to (c), (1m), (1n), (1p), ~~or (1q), or (1r)~~ if the amount of the payment is more than \$1,000.

SECTION 257. 71.67 (5m) of the statutes is amended to read:

71.67 (5m) **WITHHOLDING FROM PAYMENTS TO PURCHASE ASSIGNMENT OF LOTTERY PRIZE.** A person that purchases an assignment of a lottery prize shall withhold from the amount of any payment made to pur-