



State of Wisconsin
2023 - 2024 LEGISLATURE

LRBs0097/1
JK:wlj

**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO ASSEMBLY BILL 272**

September 8, 2023 - Offered by Representative SUMMERFIELD.

1 **AN ACT to create** 71.05 (1) (j), 71.26 (1) (j), 71.34 (1k) (q) and 71.45 (1) (dp) of the
2 statutes; **relating to:** an income and franchise tax exemption for broadband
3 expansion grants and for federal high-cost program funding for broadband
4 expansion.

Analysis by the Legislative Reference Bureau

This bill exempts from state income and franchise taxes income received in the form of a grant issued by this state; a city, village, town, or county of this state; a tribal government in this state; or the federal government for broadband expansion in this state. The bill also exempts from income and franchise taxes income received in the form of funding from the federal government for any high-cost universal service funding for broadband expansion. Current law provides an income and franchise tax exemption for income received in the form of allocations issued by this state with moneys received from the federal coronavirus relief fund to be used for broadband expansion. The bill prohibits claiming the exemptions under the bill and the exemption under current law for the same grant.

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

1 **SECTION 1.** 71.05 (1) (j) of the statutes is created to read:

2 71.05 (1) (j) *Grants and high-cost universal service funding for broadband*
3 *expansion.* 1. Income received in the form of a grant issued by this state; a political
4 subdivision, as defined in s. 16.99 (3d), of this state; a tribal government in this state;
5 or the federal government; or an authorized representative of the state, political
6 subdivision, tribal government, or federal government; for broadband expansion in
7 this state.

8 2. Income received in the form of funding from any high-cost program
9 established by the federal communications commission under 47 USC 254, and the
10 regulations issued under that section, for broadband expansion in this state.

11 3. No person may claim the exemptions under this paragraph for amounts
12 claimed as an exemption under par. (h) 1.

13 **SECTION 2.** 71.26 (1) (j) of the statutes is created to read:

14 71.26 (1) (j) *Grants and high-cost universal service funding for broadband*
15 *expansion.* 1. Income received in the form of a grant issued by this state; a political
16 subdivision, as defined in s. 16.99 (3d), of this state; a tribal government in this state;
17 or the federal government; or an authorized representative of the state, political
18 subdivision, tribal government, or federal government; for broadband expansion in
19 this state.

20 2. Income received in the form of funding from any high-cost program
21 established by the federal communications commission under 47 USC 254, and the
22 regulations issued under that section, for broadband expansion in this state.

23 3. No person may claim the exemptions under this paragraph for amounts
24 claimed as an exemption under sub. (3) (ag) 2. a.

25 **SECTION 3.** 71.34 (1k) (q) of the statutes is created to read:

1 71.34 **(1k)** (q) 1. A deduction shall be allowed for the amount of income received
2 in the form of a grant issued by this state; a political subdivision, as defined in s. 16.99
3 (3d), of this state; a tribal government in this state; or the federal government; or an
4 authorized representative of the state, political subdivision, tribal government, or
5 federal government; for broadband expansion in this state.

6 2. A deduction shall be allowed for the amount of income received in the form
7 of funding from any high-cost program established by the federal communications
8 commission under 47 USC 254, and the regulations issued under that section, for
9 broadband expansion in this state.

10 3. No person may claim the deductions under this paragraph for amounts
11 claimed as an exemption under par. (af) 1.

12 **SECTION 4.** 71.45 (1) (dp) of the statutes is created to read:

13 71.45 **(1)** (dp) 1. Income received in the form of a grant issued by this state; a
14 political subdivision, as defined in s. 16.99 (3d), of this state; a tribal government in
15 this state; or the federal government; or an authorized representative of the state,
16 political subdivision, tribal government, or federal government; for broadband
17 expansion in this state.

18 2. Income received in the form of funding from any high-cost program
19 established by the federal communications commission under 47 USC 254, and the
20 regulations issued under that section, for broadband expansion in this state.

21 3. No person may claim the exemptions under this paragraph for amounts
22 claimed as an exemption under par. (d) 1.

23 **SECTION 5. Initial applicability.**

