



State of Wisconsin
2025 - 2026 LEGISLATURE

LRBs0065/1

KP:cdc

SENATE SUBSTITUTE AMENDMENT 1,
TO SENATE BILL 204

June 9, 2025 - Offered by Senator TESTIN.

1 **AN ACT** *to amend* 71.05 (6) (a) 15., 71.10 (4) (i), 71.21 (4) (a), 71.21 (6) (d) 3.,
2 71.26 (2) (a) 4., 71.30 (3) (f), 71.34 (1k) (g), 71.365 (4m) (d) 2., 71.45 (2) (a) 10.
3 and 71.49 (1) (f); **to create** 20.835 (2) (de), 71.07 (12), 71.28 (12) and 71.47 (12)
4 of the statutes; **relating to:** creating a video game production tax credit and
5 making an appropriation.

Analysis by the Legislative Reference Bureau

This bill creates a refundable video game production income and franchise tax credit. The credit is equal to 30 percent of the eligible wages paid by the claimant directly relating to developing, producing, or creating a video game product. Under the bill, "video game product" means, subject to certain exceptions, an electronic game developed for commercial distribution and entertainment that involves interaction with a used interface to generate visual feedback on a video device. "Video game product" does not include social media, gambling products, or products with obscene content. The bill allows partnerships, limited liability companies, and tax-option corporations to claim the credit and prohibits partners of a partnership, members of a limited liability company, and shareholders of a tax-option corporation from claiming the credit. The credit under the bill is refundable, which

means that if the credit exceeds the claimant's tax liability, the claimant will receive the difference as a refund check.

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

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

20.835 (2) (de) *Video game production credit.* A sum sufficient to make the payments under ss. 71.07 (12), 71.28 (12), and 71.47 (12).

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

71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dm), (2dx), (2dy), (3g), (3h), (3n), (3q), (3s), (3t), (3w), (3wm), (3y), (4k), (4n), (5i), (5j), (5k), (5r), (5rm), (6n), ~~and (10), and (12)~~ and not passed through by a partnership, limited liability company, or tax-option corporation that has added that amount to the partnership's, company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g).

SECTION 3. 71.07 (12) of the statutes is created to read:

71.07 (12) VIDEO GAME PRODUCTION CREDIT. (a) *Definitions.* In this subsection:

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

2. "Eligible wages" means wages paid by the claimant directly relating to qualifying activities in this state.

3. "Qualifying activities" means developing, producing, or creating a video game product or platform.

4. "Video game product or platform" means an electronic game developed for commercial distribution and entertainment that involves interaction with a user

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1 interface to generate visual feedback on a video device. “Video game product or
2 platform” does not include any of the following:

3 a. A product or platform that contains content in violation of s. 944.21.

4 b. A product or platform designed for political or religious purposes.

5 c. A product or platform regulated under chs. 562 to 569.

6 d. A product or platform intended for use by gambling machine, as defined in
7 s. 945.01 (3).

8 e. A product or platform designed to provide information about one or more
9 individuals or businesses, such as marketing and promotional websites or
10 microsites.

11 f. A product or platform designed for social media or interpersonal
12 communications, such as podcasting, interactive advertising, journalism, video
13 conferencing, wireless telecommunications, text-based channels, chat rooms, or
14 broadcast or streamed viewing enhancements.

15 g. A product or platform designed to stream linear media such as audio, video,
16 or pictures.

17 h. Small-scale electronic games embedded and used exclusively in advertising.

18 5. “Wages” means wages, as defined in s. 71.63 (6), that are subject to
19 withholding under subch. X and for which a statement under s. 71.65 (1) is
20 furnished.

21 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
22 taxable years beginning after December 31, 2024, a claimant may claim as a credit

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1 against the tax imposed under s. 71.02 an amount equal to 30 percent of the eligible
2 wages paid by the person in the taxable year.

3 (c) *Limitations.* 1. A partnership, limited liability company, or tax-option
4 corporation, including a partnership, limited liability company, or tax-option
5 corporation that makes an election under s. 71.21 (6) (a) or 71.365 (4m) (a) to be
6 taxed at the entity level, may claim the credit under par. (b).

7 2. A partnership's partners, limited liability company's members, and tax-
8 option corporation's shareholders may not claim the credit under par. (b).

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

11 2. If the allowable amount of the claim under par. (b) exceeds the tax
12 otherwise due under s. 71.02 or 71.21 (6) (a), the amount of the claim not used to
13 offset the tax due shall be certified by the department of revenue to the department
14 of administration for payment by check, share draft, or other draft drawn from the
15 appropriation account under s. 20.835 (2) (de). Notwithstanding s. 71.82 (1) (b), no
16 interest shall be added to amounts certified under this subdivision.

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

18 71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland
19 preservation credit under ss. 71.57 to 71.61, farmland preservation credit, 2010 and
20 beyond under s. 71.613, homestead credit under subch. VIII, jobs tax credit under s.
21 71.07 (3q), business development credit under s. 71.07 (3y), research credit under s.
22 71.07 (4k) (e) 2. a., veterans and surviving spouses property tax credit under s.
23 71.07 (6e), enterprise zone jobs credit under s. 71.07 (3w), electronics and

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1 information technology manufacturing zone credit under s. 71.07 (3wm), earned
2 income tax credit under s. 71.07 (9e), video game production credit under s. 71.07
3 (12), estimated tax payments under s. 71.09, and taxes withheld under subch. X.

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

5 71.21 (4) (a) The amount of the credits computed by a partnership under s.
6 71.07 (2dm), (2dx), (2dy), (3g), (3h), (3n), (3q), (3s), (3t), (3w), (3wm), (3y), (4k), (4n),
7 (5g), (5i), (5j), (5k), (5r), (5rm), (6n), ~~and (10)~~, and (12) and passed through to
8 partners shall be added to the partnership's income.

9 **SECTION 6.** 71.21 (6) (d) 3. of the statutes is amended to read:

10 71.21 (6) (d) 3. Except as provided in ~~s. ss.~~ ss. 71.07 (7) (b) 3. and (12) (c) 1., 71.28
11 (12) (c) 1., and 71.47 (12) (c) 1., the tax credits under this chapter may not be
12 claimed by the partnership.

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

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

20 **SECTION 8.** 71.28 (12) of the statutes is created to read:

21 71.28 (12) VIDEO GAME PRODUCTION CREDIT. (a) *Definitions.* In this
22 subsection:

23 1. "Claimant" means a person who files a claim under this subsection.

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1 2. “Eligible wages” means wages paid by the claimant directly relating to
2 qualifying activities in this state.

3 3. “Qualifying activities” means developing, producing, or creating a video
4 game product or platform.

5 4. “Video game product or platform” means an electronic game developed for
6 commercial distribution and entertainment that involves interaction with a user
7 interface to generate visual feedback on a video device. “Video game product or
8 platform” does not include any of the following:

9 a. A product or platform that contains content in violation of s. 944.21.

10 b. A product or platform designed for political or religious purposes.

11 c. A product or platform regulated under chs. 562 to 569.

12 d. A product or platform intended for use by gambling machine, as defined in
13 s. 945.01 (3).

14 e. A product or platform designed to provide information about one or more
15 individuals or businesses, such as marketing and promotional websites or
16 microsites.

17 f. A product or platform designed for social media or interpersonal
18 communications, such as podcasting, interactive advertising, journalism, video
19 conferencing, wireless telecommunications, text-based channels, chat rooms, or
20 broadcast or streamed viewing enhancements.

21 g. A product or platform designed to stream linear media such as audio, video,
22 or pictures.

23 h. Small-scale electronic games embedded and used exclusively in advertising.

1 5. “Wages” means wages, as defined in s. 71.63 (6), that are subject to
2 withholding under subch. X and for which a statement under s. 71.65 (1) is
3 furnished.

4 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
5 taxable years beginning after December 31, 2024, a claimant may claim as a credit
6 against the tax imposed under s. 71.23 an amount equal to 30 percent of the eligible
7 wages paid by the person in the taxable year.

8 (c) *Limitations.* 1. A partnership, limited liability company, or tax-option
9 corporation, including a partnership, limited liability company, or tax-option
10 corporation that makes an election under s. 71.21 (6) (a) or 71.365 (4m) (a) to be
11 taxed at the entity level, may claim the credit under par. (b).

12 2. A partnership’s partners, limited liability company’s members, and tax-
13 option corporation’s shareholders may not claim the credit under par. (b).

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

16 2. If the allowable amount of the claim under par. (b) exceeds the tax
17 otherwise due under s. 71.23 or 71.365 (4m) (a), the amount of the claim not used to
18 offset the tax due shall be certified by the department of revenue to the department
19 of administration for payment by check, share draft, or other draft drawn from the
20 appropriation account under s. 20.835 (2) (de). Notwithstanding s. 71.82 (1) (b), no
21 interest shall be added to amounts certified under this subdivision.

22 **SECTION 9.** 71.30 (3) (f) of the statutes is amended to read:

23 71.30 (3) (f) The total of farmland preservation credit under subch. IX, jobs

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1 credit under s. 71.28 (3q), enterprise zone jobs credit under s. 71.28 (3w), electronics
2 and information technology manufacturing zone credit under s. 71.28 (3wm),
3 business development credit under s. 71.28 (3y), research credit under s. 71.28 (4)
4 (k) 1., video game production credit under s. 71.28 (12), and estimated tax
5 payments under s. 71.29.

6 **SECTION 10.** 71.34 (1k) (g) of the statutes is amended to read:

7 71.34 (1k) (g) An addition shall be made for credits computed by a tax-option
8 corporation under s. 71.28 (1dm), (1dx), (1dy), (3), (3g), (3h), (3n), (3q), (3t), (3w),
9 (3wm), (3y), (4), (5), (5g), (5i), (5j), (5k), (5r), (5rm), (6n), ~~and (10)~~, and (12) and
10 passed through to shareholders.

11 **SECTION 11.** 71.365 (4m) (d) 2. of the statutes is amended to read:

12 71.365 (4m) (d) 2. Except as provided in ~~s. ss.~~ 71.07 (7) (b) 3. and (12) (c) 1.,
13 71.28 (12) (c) 1., and 71.47 (12) (c) 1., the tax credits under this chapter may not be
14 claimed by the tax-option corporation.

15 **SECTION 12.** 71.45 (2) (a) 10. of the statutes is amended to read:

16 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
17 computed under s. 71.47 (1dm) to (1dy), (3g), (3h), (3n), (3q), (3w), (3y), (5g), (5i),
18 (5j), (5k), (5r), (5rm), (6n), ~~and (10)~~, and (12) and not passed through by a
19 partnership, limited liability company, or tax-option corporation that has added
20 that amount to the partnership's, limited liability company's, or tax-option
21 corporation's income under s. 71.21 (4) or 71.34 (1k) (g) and the amount of credit
22 computed under s. 71.47 (3), (3t), (4), (4m), and (5).

23 **SECTION 13.** 71.47 (12) of the statutes is created to read:

1 71.47 (12) VIDEO GAME PRODUCTION CREDIT. (a) *Definitions.* In this
2 subsection:

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

4 2. “Eligible wages” means wages paid by the claimant directly relating to
5 qualifying activities in this state.

6 3. “Qualifying activities” means developing, producing, or creating a video
7 game product or platform.

8 4. “Video game product or platform” means an electronic game developed for
9 commercial distribution and entertainment that involves interaction with a user
10 interface to generate visual feedback on a video device. “Video game product or
11 platform” does not include any of the following:

12 a. A product or platform that contains content in violation of s. 944.21.

13 b. A product or platform designed for political or religious purposes.

14 c. A product or platform regulated under chs. 562 to 569.

15 d. A product or platform intended for use by gambling machine, as defined in
16 s. 945.01 (3).

17 e. A product or platform designed to provide information about one or more
18 individuals or businesses, such as marketing and promotional websites or
19 microsites.

20 f. A product or platform designed for social media or interpersonal
21 communications, such as podcasting, interactive advertising, journalism, video
22 conferencing, wireless telecommunications, text-based channels, chat rooms, or
23 broadcast or streamed viewing enhancements.

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1 g. A product or platform designed to stream linear media such as audio, video,
2 or pictures.

3 h. Small-scale electronic games embedded and used exclusively in advertising.

4 5. “Wages” means wages, as defined in s. 71.63 (6), that are subject to
5 withholding under subch. X and for which a statement under s. 71.65 (1) is
6 furnished.

7 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
8 taxable years beginning after December 31, 2024, a claimant may claim as a credit
9 against the tax imposed under s. 71.43 an amount equal to 30 percent of the eligible
10 wages paid by the person in the taxable year.

11 (c) *Limitations.* 1. A partnership, limited liability company, or tax-option
12 corporation, including a partnership, limited liability company, or tax-option
13 corporation that makes an election under s. 71.21 (6) (a) or 71.365 (4m) (a) to be
14 taxed at the entity level, may claim the credit under par. (b).

15 2. A partnership’s partners, limited liability company’s members, and tax-
16 option corporation’s shareholders may not claim the credit under par. (b).

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

19 2. If the allowable amount of the claim under par. (b) exceeds the tax
20 otherwise due under s. 71.43, the amount of the claim not used to offset the tax due
21 shall be certified by the department of revenue to the department of administration
22 for payment by check, share draft, or other draft drawn from the appropriation

1 account under s. 20.835 (2) (de). Notwithstanding s. 71.82 (1) (b), no interest shall
2 be added to amounts certified under this subdivision.

3 **SECTION 14.** 71.49 (1) (f) of the statutes is amended to read:

4 71.49 (1) (f) The total of farmland preservation credit under subch. IX, jobs
5 credit under s. 71.47 (3q), enterprise zone jobs credit under s. 71.47 (3w), business
6 development credit under s. 71.47 (3y), research credit under s. 71.47 (4) (k) 1.,
7 video game production credit under s. 71.47 (12), and estimated tax payments
8 under s. 71.48.

9 (END)