

State of Wisconsin



2025 Assembly Bill 884

Date of enactment:
Date of publication*:

2025 WISCONSIN ACT

AN ACT to renumber and amend 71.05 (6) (b) 54mn.; to amend 16.705 (1s), 41.152 (1), 71.05 (6) (b) 54. (intro.), 71.05 (6) (b) 54m. a., 71.05 (6) (b) 54m. b., 71.05 (6) (b) 54m. c., 71.05 (6) (b) 54m. d., 71.07 (5f) (a) 4., 71.07 (5f) (c) 2., 71.07 (5f) (d) 3., 71.07 (5h) (d) 2., 71.28 (5f) (a) 4., 71.28 (5f) (c) 2., 71.28 (5f) (d) 3., 71.28 (5h) (d) 2., 71.47 (5f) (a) 4., 71.47 (5f) (c) 2., 71.47 (5f) (d) 3., 71.47 (5h) (d) 2. and 71.83 (1) (a) 6. of the statutes; **relating to:** who may purchase certain contractual services and technical changes to tax provisions related to qualified retirement plans and the film production services credit.

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

SECTION 1. 16.705 (1s) of the statutes is amended to read:

16.705 (1s) If contractual services are purchased by the department or its agent that would require an individual performing the services to have access to federal tax information received directly from the federal Internal Revenue Service or from a source that is authorized by the federal Internal Revenue Service, a background check shall be performed on each individual performing the services. The background investigation may include requiring the individual to be fingerprinted on 2 fingerprint cards each bearing a complete set of the individual's fingerprints, or by other technologies approved by law enforcement agencies. The department of justice shall submit any such fingerprint cards to the federal bureau of investigation for the purposes of verifying the identity of the individual fingerprinted and obtaining records of his or her criminal arrests and convictions. The department of revenue may be an agent of the department for the purchase of contractual services under this subsection.

SECTION 2. 41.152 (1) of the statutes, as affected by 2025 Wisconsin Act 15, is amended to read:

41.152 (1) The state film office shall implement a program to accredit productions and certify expenses for purposes of ss. 71.07 (5f) and (5h), 71.28 (5f) and (5h), and 71.47 (5f) and (5h). Application for accreditation or certification shall be made to the office ~~in~~ for each taxable year for which accreditation or certification is desired.

SECTION 3. 71.05 (6) (b) 54. (intro.) of the statutes, as affected by 2025 Wisconsin Act 15, is amended to read:

71.05 (6) (b) 54. (intro.) Except for a payment that is exempt under sub. (1) (a), (am), or (an), or that is exempt as a railroad retirement benefit, and except as provided under ~~subds. subd.~~ subd. 54m. ~~and 54mn.~~, for taxable years beginning after December 31, 2020, up to \$5,000 of payments or distributions received each year by an individual from a qualified retirement plan under the Internal Revenue Code or from an individual retirement account established under ~~26 USC 408~~ section 408 of the Internal Revenue Code, if all of the following conditions apply:

* 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."

SECTION 4. 71.05 (6) (b) 54m. a. of the statutes, as affected by 2025 Wisconsin Act 15, is amended to read:

71.05 (6) (b) 54m. a. Except for a payment that is exempt under sub. (1) (a), (am), or (an), or that is exempt as a railroad retirement benefit, and ~~except as provided under subd. 54mn.~~ subject to the limitations under subd. 54m. b., c., d., and e., for taxable years beginning after December 31, 2024, the amount, ~~up to the limit specified in subd. 54m. b. or e., whichever is applicable,~~ of the payments or distributions received by an individual each year from a qualified retirement plan under the Internal Revenue Code or from an individual retirement account established under ~~26 USC 408~~ section 408 of the Internal Revenue Code.

SECTION 5. 71.05 (6) (b) 54m. b. of the statutes is amended to read:

71.05 (6) (b) 54m. b. If the individual is at least 67 years of age before the close of the taxable year to which the subtraction relates, the ~~amount claimed by the individual~~ may claim the subtraction under this subdivision ~~may not exceed \$24,000 for that taxable year.~~

SECTION 6. 71.05 (6) (b) 54m. c. of the statutes is amended to read:

71.05 (6) (b) 54m. c. ~~If~~ An individual described under subd. 54m. b. may claim the subtraction under this subdivision in an amount not to exceed \$24,000 for the taxable year, except that if the individual is married and is a joint filer, and both spouses are at least 67 years of age before the close of the taxable year to which the subtraction relates, the total amount claimed by ~~the both~~ spouses under this subdivision may not exceed \$48,000 for that taxable year, regardless of the amount of the payment or distribution received by each spouse.

SECTION 7. 71.05 (6) (b) 54m. d. of the statutes, as affected by 2025 Wisconsin Act 15, is amended to read:

71.05 (6) (b) 54m. d. An individual who claims the subtraction under this subdivision for a taxable year may not claim any credit, including any eligible carryover of such credit, listed under s. ~~71.10 (4)~~ 71.07 for the same taxable year.

SECTION 8. 71.05 (6) (b) 54mn. of the statutes, as affected by 2025 Wisconsin Act 15, is renumbered 71.05 (6) (b) 54m. e. and amended to read:

71.05 (6) (b) 54m. e. For ~~taxable years beginning after December 31, 2024,~~ for an individual who is a part-year resident of this state, the subtraction under this subdivision for the taxable year may not exceed the amount that is calculated by multiplying ~~the applicable amount under subd. 54m. b. or e.~~ \$24,000 by a fraction the numerator of which is the individual's wages, salary, tips, unearned income, and net earnings from a trade or business that are taxable by this state and the denominator of which is the individual's total wages, salary, tips, un-

earned income, and net earnings from a trade or business. A nonresident of this state is not eligible to claim the subtraction under ~~subd. 54m.~~ ~~An individual who claims the subtraction under this subdivision for a taxable year may not claim any credit listed under s. 71.10 (4) for the same taxable year~~ this subdivision.

SECTION 9. 71.07 (5f) (a) 4. of the statutes, as affected by 2025 Wisconsin Act 15, is amended to read:

71.07 (5f) (a) 4. "Production expenditures" means salaries, wages, or any other 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~~ salaries, wages, or any other expenditures for the marketing and distribution of an accredited production.

SECTION 10. 71.07 (5f) (c) 2. of the statutes, as affected by 2025 Wisconsin Act 15, is amended to read:

71.07 (5f) (c) 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~~ Only 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~~ may be used to claim a credit under par. (b) 1. If the claimant's ~~budgeted~~ production expenditures for the taxable year are \$1,000,000 or more, the salaries or wages paid to the claimant's 2 highest-paid employees in the taxable year may not be used to claim the credit.

SECTION 11. 71.07 (5f) (d) 3. of the statutes, as affected by 2025 Wisconsin Act 15, is amended to read:

71.07 (5f) (d) 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 per-

son 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 of the transferor 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.

SECTION 12. 71.07 (5h) (d) 2. of the statutes, as affected by 2025 Wisconsin Act 15, is amended to read:

71.07 (5h) (d) 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 of the transferor 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.

SECTION 13. 71.28 (5f) (a) 4. of the statutes, as affected by 2025 Wisconsin Act 15, is amended to read:

71.28 (5f) (a) 4. “Production expenditures” means salaries, wages, or any other 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~~ salaries, wages, or any other expenditures for the marketing and distribution of an accredited production.

SECTION 14. 71.28 (5f) (c) 2. of the statutes, as affected by 2025 Wisconsin Act 15, is amended to read:

71.28 (5f) (c) 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~~ Only 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~~ may be used to claim a credit under par. (b) 1. If the claimant’s budgeted production expenditures for the taxable year are \$1,000,000 or more, the salaries or wages paid to the claimant’s 2 highest-paid employees in the taxable year may not be used to claim the credit.

SECTION 15. 71.28 (5f) (d) 3. of the statutes, as affected by 2025 Wisconsin Act 15, is amended to read:

71.28 (5f) (d) 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 of the transferor 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.

SECTION 16. 71.28 (5h) (d) 2. of the statutes, as affected by 2025 Wisconsin Act 15, is amended to read:

71.28 (5h) (d) 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 of the transferor 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.

SECTION 17. 71.47 (5f) (a) 4. of the statutes, as affected by 2025 Wisconsin Act 15, is amended to read:

71.47 (5f) (a) 4. “Production expenditures” means salaries, wages, or any other 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 salaries, wages, or any other~~ expenditures for the marketing and distribution of an accredited production.

SECTION 18. 71.47 (5f) (c) 2. of the statutes, as affected by 2025 Wisconsin Act 15, is amended to read:

71.47 (5f) (c) 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~~ Only 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~~ may be used to claim a credit under par. (b) 1. If the claimant's budgeted production expenditures are \$1,000,000 or more, the salaries or wages paid to the claimant's 2 highest-paid employees in the taxable year may not be used to claim the credit.

SECTION 19. 71.47 (5f) (d) 3. of the statutes, as affected by 2025 Wisconsin Act 15, is amended to read:

71.47 (5f) (d) 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 per-

son 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 of the transferor 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.

SECTION 20. 71.47 (5h) (d) 2. of the statutes, as affected by 2025 Wisconsin Act 15, is amended to read:

71.47 (5h) (d) 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 of the transferor 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.

SECTION 21. 71.83 (1) (a) 6. of the statutes, as affected by 2025 Wisconsin Act 15, is amended to read:

71.83 (1) (a) 6. 'Retirement plans.' Any natural person who is liable for a penalty for federal income tax purposes under section 72 (m) (5), (q), (t), and (v), 4973, 4974, 4975, or 4980A of the Internal Revenue Code is liable for 33 percent of the federal penalty unless the income received is exempt from taxation under s. 71.05 (1) (a) or (6) (b) 54.; ~~or 54m., or 54mm.~~ The penalties provided under this subdivision shall be assessed, levied, and collected in the same manner as income or franchise taxes.