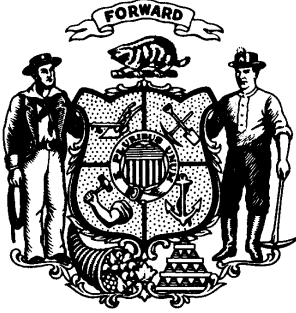


State of Wisconsin



2025 Senate Bill 376

Date of enactment:
Date of publication*:

2025 WISCONSIN ACT

AN ACT to amend 71.05 (6) (a) 15., 71.21 (4) (a), 71.26 (2) (a) 4., 71.34 (1k) (g) and 71.45 (2) (a) 10.; to create 71.07 (8s), 71.10 (4) (cu), 71.28 (8s), 71.30 (3) (cu), 71.47 (8s) and 71.49 (1) (cu) of the statutes; relating to: a tax credit for employer-provided child care.

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

SECTION 1. 71.05 (6) (a) 15. of the statutes, as affected by 2025 Wisconsin Act 15, 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), (5f), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), (8s), 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, company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g).

SECTION 2. 71.07 (8s) of the statutes is created to read:

71.07 (8s) ADDITIONAL EMPLOYER-PROVIDED CHILD CARE CREDIT. (a) *Definitions.* In this subsection:

1. "Claimant" means a person who is eligible for and claims the federal employer-provided child care credit for the taxable year to which the claim under this subsection relates.

2. "Federal employer-provided child care credit" means the tax credit under section 45F of the Internal Revenue Code in effect for federal purposes on the effective date of this subdivision [LRB inserts date].

(b) *Filing claims.* 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 those taxes, an amount equal to the amount of the federal employer-provided child care credit claimed by the claimant on his or her federal income tax return for the taxable year to which the claim under this subsection relates.

(c) *Limitations.* 1. The credit under this subsection may not be claimed for any amount of the federal employer-provided child care credit claimed for any expenditure paid or incurred for a child care facility located outside this state or for services provided outside this state.

2. A claimant who claims a credit under this subsection and whose federal income tax is increased under section 45F (d) of the Internal Revenue Code shall add to the claimant's liability for taxes imposed under s. 71.02, an amount equal to the amount that the claimant's federal income tax is increased under section 45F (d) of the Internal Revenue Code.

3. 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 the amounts of the federal employer-provided child care credit claimed under par. (b).

* 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."

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

SECTION 3. 71.10 (4) (cu) of the statutes is created to read:

71.10 (4) (cu) Additional employer-provided child care credit under s. 71.07 (8s).

SECTION 4. 71.21 (4) (a) of the statutes, as affected by 2025 Wisconsin Act 15, 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), (8s), and (10) and passed through to partners shall be added to the partnership's income.

SECTION 5. 71.26 (2) (a) 4. of the statutes, as affected by 2025 Wisconsin Act 15, 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), (8s), 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 6. 71.28 (8s) of the statutes is created to read:

71.28 (8s) **ADDITIONAL EMPLOYER-PROVIDED CHILD CARE CREDIT.** (a) *Definitions.* In this subsection:

1. "Claimant" means a person who is eligible for and claims the federal employer-provided child care credit for the taxable year to which the claim under this subsection relates.

2. "Federal employer-provided child care credit" means the tax credit under section 45F of the Internal Revenue Code in effect for federal purposes on the effective date of this subdivision [LRB inserts date].

(b) *Filing claims.* 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 those taxes, an amount equal to the amount of the federal employer-provided child care credit claimed by the claimant on his or her federal income tax return for the

taxable year to which the claim under this subsection relates.

(c) *Limitations.* 1. The credit under this subsection may not be claimed for any amount of the federal employer-provided child care credit claimed for any expenditure paid or incurred for a child care facility located outside this state or for services provided outside this state.

2. A claimant who claims a credit under this subsection and whose federal income tax is increased under section 45F (d) of the Internal Revenue Code shall add to the claimant's liability for taxes imposed under s. 71.23, an amount equal to the amount that the claimant's federal income tax is increased under section 45F (d) of the Internal Revenue Code.

3. 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 the amounts of the federal employer-provided child care credit claimed 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.* Subsection (4) (e) to (h), as it applies to the credit under sub. (4), applies to the credit under this subsection.

SECTION 7. 71.30 (3) (cu) of the statutes is created to read:

71.30 (3) (cu) Additional employer-provided child care credit under s. 71.28 (8s).

SECTION 8. 71.34 (1k) (g) of the statutes, as affected by 2025 Wisconsin Act 15, 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), (8s), and (10) and passed through to shareholders.

SECTION 9. 71.45 (2) (a) 10. of the statutes, as affected by 2025 Wisconsin Act 15, 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), (8s), 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 10. 71.47 (8s) of the statutes is created to read:

71.47 (8s) ADDITIONAL EMPLOYER-PROVIDED CHILD CARE CREDIT. (a) *Definitions.* In this subsection:

1. “Claimant” means a person who is eligible for and claims the federal employer-provided child care credit for the taxable year to which the claim under this subsection relates.

2. “Federal employer-provided child care credit” means the tax credit under section 45F of the Internal Revenue Code in effect for federal purposes on the effective date of this subdivision [LRB inserts date].

(b) *Filing claims.* 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 those taxes, an amount equal to the amount of the federal employer-provided child care credit claimed by the claimant on his or her federal income tax return for the taxable year to which the claim under this subsection relates.

(c) *Limitations.* 1. The credit under this subsection may not be claimed for any amount of the federal employer-provided child care credit claimed for any expenditure paid or incurred for a child care facility located

outside this state or for services provided outside this state.

2. A claimant who claims a credit under this subsection and whose federal income tax is increased under section 45F (d) of the Internal Revenue Code shall add to the claimant’s liability for taxes imposed under s. 71.43, an amount equal to the amount that the claimant’s federal income tax is increased under section 45F (d) of the Internal Revenue Code.

3. 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 the amounts of the federal employer-provided child care credit claimed 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.* Section 71.28 (4) (e) to (h), as it applies to the credit under s. 71.28 (4), applies to the credit under this subsection.

SECTION 11. 71.49 (1) (cu) of the statutes is created to read:

71.49 (1) (cu) Additional employer-provided child care credit under s. 71.47 (8s).
