

State of Wisconsin



2025 Assembly Bill 375

Date of enactment:
Date of publication*:

2025 WISCONSIN ACT

AN ACT to repeal 71.07 (9m) (a) 1m., 71.28 (6) (a) 1m. and 71.47 (6) (a) 1m.; to amend 71.07 (9m) (a) 2m., 71.07 (9m) (a) 3., 71.07 (9m) (c) (intro.), 71.07 (9m) (c) 1., 71.07 (9m) (cm), 71.07 (9m) (cn) (intro.), 71.07 (9m) (g) 1., 71.07 (9m) (h), 71.28 (6) (a) 2m., 71.28 (6) (a) 3., 71.28 (6) (c) (intro.), 71.28 (6) (c) 1., 71.28 (6) (cm), 71.28 (6) (cn) (intro.), 71.28 (6) (g) 1., 71.28 (6) (h), 71.47 (6) (a) 2m., 71.47 (6) (a) 3., 71.47 (6) (c) (intro.), 71.47 (6) (c) 1., 71.47 (6) (cm), 71.47 (6) (cn) (intro.), 71.47 (6) (g) 1., 71.47 (6) (h) and 238.17 (2); to create 71.07 (9m) (a) 4., 71.28 (6) (a) 4. and 71.47 (6) (a) 4. of the statutes; relating to: modifications to the historic rehabilitation tax credit.

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

SECTION 1. 71.07 (9m) (a) 1m. of the statutes is repealed.

SECTION 2. 71.07 (9m) (a) 2m. of the statutes is amended to read:

71.07 (9m) (a) 2m. For taxable years beginning after December 31, 2013, and before January 1, 2026, any person may claim as a credit against taxes otherwise due under s. 71.02, up to the amount of those taxes, an amount equal to 20 percent of the costs of qualified rehabilitation expenditures, as defined in section 47 (c) (2) of the Internal Revenue Code, for certified historic structures on property located in this state, if the cost of the person's qualified rehabilitation expenditures is at least \$50,000 and the rehabilitated property is placed in service after December 31, 2013, and before January 1, 2026.

SECTION 3. 71.07 (9m) (a) 3. of the statutes is amended to read:

71.07 (9m) (a) 3. For taxable years beginning after December 31, 2013, and before January 1, 2026, any

person may claim as a credit against taxes otherwise due under s. 71.02, up to the amount of those taxes, an amount equal to 20 percent of the costs of qualified rehabilitation expenditures, as defined in section 47 (c) (2) of the Internal Revenue Code, for qualified rehabilitated buildings, as defined in section 47 (c) (1) of the Internal Revenue Code, on property located in this state, if the cost of the person's qualified rehabilitation expenditures is at least \$50,000 and the rehabilitated property is placed in service after December 31, 2013, and before January 1, 2026, and regardless of whether the rehabilitated property is used for multiple or revenue-producing purposes. No credit may be claimed under this subdivision for property listed as a contributing building in the state register of historic places or in the national register of historic places and no credit may be claimed under this subdivision for nonhistoric, nonresidential property converted into housing if the property has been previously used for housing.

SECTION 4. 71.07 (9m) (a) 4. of the statutes is created to read:

71.07 (9m) (a) 4. a. For taxable years beginning af-

* 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."

ter December 31, 2025, any person may claim as a credit against taxes otherwise due under s. 71.02, up to the amount of those taxes, an amount equal to 20 percent of the qualified rehabilitation expenditures for a qualified rehabilitated building located in this state and placed in service after December 31, 2025.

b. For purposes of this subdivision, “qualified rehabilitated building” has the meaning given in section 47 (c) (1) of the Internal Revenue Code, except that a building shall be treated as having been substantially rehabilitated under section 47 (c) (1) (B) (i) of the Internal Revenue Code only if the qualified rehabilitation expenditures during the 24-month period selected by the taxpayer, at the time and in the manner prescribed by federal regulations, and ending with or within the taxable year are at least \$50,000.

c. For purposes of this subdivision, “qualified rehabilitation expenditure” has the meaning given in section 47 (c) (2) of the Internal Revenue Code, except that if the claimant does not claim the credit under section 47 of the Internal Revenue Code for the same rehabilitation to which the claim under this subdivision relates, the rehabilitation shall be treated as a certified rehabilitation under section 47 (c) (2) (B) (iv) of the Internal Revenue Code if the state historic preservation officer certifies the rehabilitation as being consistent with the historic character of the property or the district in which the property is located.

SECTION 5. 71.07 (9m) (c) (intro.) of the statutes is amended to read:

71.07 (9m) (c) (intro.) No person may claim the credit under par. (a) 2m. or 4. unless the claimant includes with the claimant’s return a copy of the claimant’s certification under s. 238.17. For certification purposes under s. 238.17, the claimant shall provide to the Wisconsin Economic Development Corporation all of the following:

SECTION 6. 71.07 (9m) (c) 1. of the statutes is amended to read:

71.07 (9m) (c) 1. ~~Evidence~~ If the claimant claims the credit under section 47 of the Internal Revenue Code for the same rehabilitation, evidence that the rehabilitation was recommended by the state historic preservation officer for approval by the secretary of the interior under 36 CFR 67.6 before the physical work of construction, or destruction in preparation for construction, began and that the rehabilitation was approved by the state historic preservation officer. If the claimant does not claim the credit under section 47 of the Internal Revenue Code for the same rehabilitation, evidence that the rehabilitation was approved by the state historic preservation officer before the physical work of construction, or destruction in preparation for construction, began.

SECTION 7. 71.07 (9m) (cm) of the statutes is amended to read:

71.07 (9m) (cm) Any credit claimed under this subsection for Wisconsin purposes shall be claimed at the same time as for federal purposes, regardless of whether the claimant claims the credit for federal purposes.

SECTION 8. 71.07 (9m) (cn) (intro.) of the statutes is amended to read:

71.07 (9m) (cn) (intro.) For taxable years beginning after December 31, 2014, and before January 1, 2026, the Wisconsin Economic Development Corporation shall certify a person to claim a credit under par. (a) 3. if all of the following apply:

SECTION 9. 71.07 (9m) (g) 1. of the statutes is amended to read:

71.07 (9m) (g) 1. If a person who claims the credit ~~under this subsection under par. (a) 2m., 3., or 4.~~ elects to claim the credit based on ~~claiming amounts for expenditures as the expenditures are paid, rather than when the rehabilitation work is completed~~ progress expenditures under section 47 (d) of the Internal Revenue Code, the person shall file an election form with the department, in the manner prescribed by the department.

SECTION 10. 71.07 (9m) (h) of the statutes is amended to read:

71.07 (9m) (h) Any person, including a nonprofit entity described in section 501 (c) (3) of the Internal Revenue Code, may sell or otherwise transfer the credit under par. (a) 2m. ~~or 3., or 4.~~ 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 with each transfer. The transferor may file a claim for more than one taxable year on a form prescribed by the department to compute all years of the credit under par. (a) 2m. ~~or 3., or 4.~~ at the time of the transfer request. The transferee may first use the credit to offset tax in the taxable year of the transferor in which the transfer occurs and may use the credit only to offset tax in taxable years otherwise allowed to be claimed and carried forward by the original claimant.

SECTION 11. 71.28 (6) (a) 1m. of the statutes is repealed.

SECTION 12. 71.28 (6) (a) 2m. of the statutes is amended to read:

71.28 (6) (a) 2m. For taxable years beginning after December 31, 2013, and before January 1, 2026, any person may claim as a credit against taxes otherwise due under s. 71.23, up to the amount of those taxes, an amount equal to 20 percent of the costs of qualified rehabilitation expenditures, as defined in section 47 (c) (2)

of the Internal Revenue Code, for certified historic structures on property located in this state, if the cost of the person's qualified rehabilitation expenditures is at least \$50,000 and the rehabilitated property is placed in service after December 31, 2013, and before January 1, 2026.

SECTION 13. 71.28 (6) (a) 3. of the statutes is amended to read:

71.28 (6) (a) 3. For taxable years beginning after December 31, 2013, and before January 1, 2026, any person may claim as a credit against taxes otherwise due under s. 71.23, up to the amount of those taxes, an amount equal to 20 percent of the costs of qualified rehabilitation expenditures, as defined in section 47 (c) (2) of the Internal Revenue Code, for qualified rehabilitated buildings, as defined in section 47 (c) (1) of the Internal Revenue Code, on property located in this state, if the cost of the person's qualified rehabilitation expenditures is at least \$50,000 and the rehabilitated property is placed in service after December 31, 2013, and before January 1, 2026, and regardless of whether the rehabilitated property is used for multiple or revenue-producing purposes. No credit may be claimed under this subdivision for property listed as a contributing building in the state register of historic places or in the national register of historic places and no credit may be claimed under this subdivision for nonhistoric, nonresidential property converted into housing if the property has been previously used for housing.

SECTION 14. 71.28 (6) (a) 4. of the statutes is created to read:

71.28 (6) (a) 4. a. For taxable years beginning after December 31, 2025, any person may claim as a credit against taxes otherwise due under s. 71.23, up to the amount of those taxes, an amount equal to 20 percent of the qualified rehabilitation expenditures for a qualified rehabilitated building located in this state and placed in service after December 31, 2025.

b. For purposes of this subdivision, "qualified rehabilitated building" has the meaning given in section 47 (c) (1) of the Internal Revenue Code, except that a building shall be treated as having been substantially rehabilitated under section 47 (c) (1) (B) (i) of the Internal Revenue Code only if the qualified rehabilitation expenditures during the 24-month period selected by the taxpayer, at the time and in the manner prescribed by federal regulations, and ending with or within the taxable year are at least \$50,000.

c. For purposes of this subdivision, "qualified rehabilitation expenditure" has the meaning given in section 47 (c) (2) of the Internal Revenue Code, except that if the claimant does not claim the credit under section 47 of the Internal Revenue Code for the same rehabilitation

to which the claim under this subdivision relates, the rehabilitation shall be treated as a certified rehabilitation under section 47 (c) (2) (B) (iv) of the Internal Revenue Code if the state historic preservation officer certifies the rehabilitation as being consistent with the historic character of the property or the district in which the property is located.

SECTION 15. 71.28 (6) (c) (intro.) of the statutes is amended to read:

71.28 (6) (c) (intro.) No person may claim the credit under par. (a) 2m. or 4. unless the claimant includes with the claimant's return a copy of the claimant's certification under s. 238.17. For certification purposes under s. 238.17, the claimant shall provide to the Wisconsin Economic Development Corporation all of the following:

SECTION 16. 71.28 (6) (c) 1. of the statutes is amended to read:

71.28 (6) (c) 1. ~~Evidence~~ If the claimant claims the credit under section 47 of the Internal Revenue Code for the same rehabilitation, evidence that the rehabilitation was recommended by the state historic preservation officer for approval by the secretary of the interior under 36 CFR 67.6 before the physical work of construction, or destruction in preparation for construction, began and that the rehabilitation was approved by the state historic preservation officer. If the claimant does not claim the credit under section 47 of the Internal Revenue Code for the same rehabilitation, evidence that the rehabilitation was approved by the state historic preservation officer before the physical work of construction, or destruction in preparation for construction, began.

SECTION 17. 71.28 (6) (cm) of the statutes is amended to read:

71.28 (6) (cm) Any credit claimed under this subsection for Wisconsin purposes shall be claimed at the same time as for federal purposes, regardless of whether the claimant claims the credit for federal purposes.

SECTION 18. 71.28 (6) (cn) (intro.) of the statutes is amended to read:

71.28 (6) (cn) (intro.) For taxable years beginning after December 31, 2014, and before January 1, 2026, the Wisconsin Economic Development Corporation shall certify a person to claim a credit under par. (a) 3. if all of the following apply:

SECTION 19. 71.28 (6) (g) 1. of the statutes is amended to read:

71.28 (6) (g) 1. If a person who claims the credit ~~under this subsection~~ under par. (a) 2m., 3., or 4, elects to claim the credit based on ~~claiming amounts for expenditures as the expenditures are paid, rather than when the rehabilitation work is completed~~ progress expenditures under section 47 (d) of the Internal Revenue Code, the

person shall file an election form with the department, in the manner prescribed by the department.

SECTION 20. 71.28 (6) (h) of the statutes is amended to read:

71.28 (6) (h) Any person, including a nonprofit entity described in section 501 (c) (3) of the Internal Revenue Code, may sell or otherwise transfer the credit under par. (a) 2m. ~~or 3., or 4.~~, 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 with each transfer. The transferor may file a claim for more than one taxable year on a form prescribed by the department to compute all years of the credit under par. (a) 2m. ~~or 3., or 4.~~, at the time of the transfer request. The transferee may first use the credit to offset tax in the taxable year of the transferor in which the transfer occurs, and may use the credit only to offset tax in taxable years otherwise allowed to be claimed and carried forward by the original claimant.

SECTION 21. 71.47 (6) (a) 1m. of the statutes is repealed.

SECTION 22. 71.47 (6) (a) 2m. of the statutes is amended to read:

71.47 (6) (a) 2m. For taxable years beginning after December 31, 2013, and before January 1, 2026, any person may claim as a credit against taxes otherwise due under s. 71.43, up to the amount of those taxes, an amount equal to 20 percent of the costs of qualified rehabilitation expenditures, as defined in section 47 (c) (2) of the Internal Revenue Code, for certified historic structures on property located in this state, if the cost of the person's qualified rehabilitation expenditures is at least \$50,000 and the rehabilitated property is placed in service after December 31, 2013, and before January 1, 2026.

SECTION 23. 71.47 (6) (a) 3. of the statutes is amended to read:

71.47 (6) (a) 3. For taxable years beginning after December 31, 2013, and before January 1, 2026, any person may claim as a credit against taxes otherwise due under s. 71.43, up to the amount of those taxes, an amount equal to 20 percent of the costs of qualified rehabilitation expenditures, as defined in section 47 (c) (2) of the Internal Revenue Code, for qualified rehabilitated buildings, as defined in section 47 (c) (1) of the Internal Revenue Code, on property located in this state, if the cost of the person's qualified rehabilitation expenditures is at least \$50,000 and the rehabilitated property is placed in service after December 31, 2013, and before January 1, 2026, and regardless of whether the rehabili-

tated property is used for multiple or revenue-providing purposes. No credit may be claimed under this subdivision for property listed as a contributing building in the state register of historic places or in the national register of historic places and no credit may be claimed under this subdivision for nonhistoric, nonresidential property converted into housing if the property has been previously used for housing.

SECTION 24. 71.47 (6) (a) 4. of the statutes is created to read:

71.47 (6) (a) 4. a. For taxable years beginning after December 31, 2025, any person may claim as a credit against taxes otherwise due under s. 71.43, up to the amount of those taxes, an amount equal to 20 percent of the qualified rehabilitation expenditures for a qualified rehabilitated building located in this state and placed in service after December 31, 2025.

b. For purposes of this subdivision, "qualified rehabilitated building" has the meaning given in section 47 (c) (1) of the Internal Revenue Code, except that a building shall be treated as having been substantially rehabilitated under section 47 (c) (1) (B) (i) of the Internal Revenue Code only if the qualified rehabilitation expenditures during the 24-month period selected by the taxpayer, at the time and in the manner prescribed by federal regulations, and ending with or within the taxable year are at least \$50,000.

c. For purposes of this subdivision, "qualified rehabilitation expenditure" has the meaning given in section 47 (c) (2) of the Internal Revenue Code, except that if the claimant does not claim the credit under section 47 of the Internal Revenue Code for the same rehabilitation to which the claim under this subdivision relates, the rehabilitation shall be treated as a certified rehabilitation under section 47 (c) (2) (B) (iv) of the Internal Revenue Code if the state historic preservation officer certifies the rehabilitation as being consistent with the historic character of the property or the district in which the property is located.

SECTION 25. 71.47 (6) (c) (intro.) of the statutes is amended to read:

71.47 (6) (c) (intro.) No person may claim the credit under par. (a) 2m. or 4. unless the claimant includes with the claimant's return a copy of the claimant's certification under s. 238.17. For certification purposes under s. 238.17, the claimant shall provide to the Wisconsin Economic Development Corporation all of the following:

SECTION 26. 71.47 (6) (c) 1. of the statutes is amended to read:

71.47 (6) (c) 1. ~~Evidence~~ If the claimant claims the credit under section 47 of the Internal Revenue Code for the same rehabilitation, evidence that the rehabilitation

was recommended by the state historic preservation officer for approval by the secretary of the interior under 36 CFR 67.6 before the physical work of construction, or destruction in preparation for construction, began and that the rehabilitation was approved by the state historic preservation officer. If the claimant does not claim the credit under section 47 of the Internal Revenue Code for the same rehabilitation, evidence that the rehabilitation was approved by the state historic preservation officer before the physical work of construction, or destruction in preparation for construction, began.

SECTION 27. 71.47 (6) (cm) of the statutes is amended to read:

71.47 (6) (cm) Any credit claimed under this subsection for Wisconsin purposes shall be claimed at the same time as for federal purposes, regardless of whether the claimant claims the credit for federal purposes.

SECTION 28. 71.47 (6) (cn) (intro.) of the statutes is amended to read:

71.47 (6) (cn) (intro.) For taxable years beginning after December 31, 2014, and before January 1, 2026, the Wisconsin Economic Development Corporation shall certify a person to claim a credit under par. (a) 3. if all of the following apply:

SECTION 29. 71.47 (6) (g) 1. of the statutes is amended to read:

71.47 (6) (g) 1. If a person who claims the credit ~~under this subsection under par. (a) 2m., 3., or 4.~~ elects to claim the credit based on ~~claiming amounts for expenditures as the expenditures are paid, rather than when the rehabilitation work is completed~~ progress expenditures under section 47 (d) of the Internal Revenue Code, the person shall file an election form with the department, in the manner prescribed by the department.

SECTION 30. 71.47 (6) (h) of the statutes is amended to read:

71.47 (6) (h) Any person, including a nonprofit entity described in section 501 (c) (3) of the Internal Revenue

Code, may sell or otherwise transfer the credit under par. (a) 2m. ~~3., or 4.,~~ 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 with each transfer. The transferor may file a claim for more than one taxable year on a form prescribed by the department to compute all years of the credit under par. (a) 2m. ~~3., or 4.,~~ at the time of the transfer request. The transferee may first use the credit to offset tax in the taxable year of the transferor in which the transfer occurs, and may use the credit only to offset tax in taxable years otherwise allowed to be claimed and carried forward by the original claimant.

SECTION 31. 238.17 (2) of the statutes is amended to read:

238.17 (2) Beginning July 1, 2018, the corporation may not certify persons to claim more than a total of \$3,500,000 in tax credits within a single 15-year period for all projects undertaken on the same parcel.

SECTION 32. Nonstatutory provisions.

(1) The amendments to ss. 71.07 (9m) (a) 2m. and 3., 71.28 (6) (a) 2m. and 3., and 71.47 (6) (a) 2m. and 3. do not affect the ability of a claimant who claims a credit under s. 71.07 (9m) (a) 2m. or 3., 71.28 (6) (a) 2m. or 3., or 71.47 (6) (a) 2m. or 3. for a taxable year beginning before January 1, 2026, and who is subject to the timing requirement in section 47 (a) (2) of the Internal Revenue Code under s. 71.07 (9m) (cm), 71.28 (6) (cm), or 71.47 (6) (cm), to claim any remaining ratable share of the credit in a taxable year beginning after December 31, 2025.

(2) Credits awarded during a single 15-year period under s. 238.17 (2), as amended by this act, include any amount in tax credits certified between July 1, 2018, and the effective date of this act.