

State of Wisconsin



2025 Assembly Bill 182

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2025 WISCONSIN ACT 236

AN ACT *to renumber* 76.639 (3); *to amend* 71.07 (8b) (a) 7., 71.07 (8b) (c) 2., 71.28 (8b) (a) 7., 71.28 (8b) (c) 2., 71.47 (8b) (a) 7., 71.47 (8b) (c) 2., 76.639 (1) (g), 76.67 (2) and 234.45 (1) (e); *to create* 76.639 (3) (b), 234.45 (1) (em) and 234.45 (5m) of the statutes; **relating to:** changes to the low-income housing tax credit.

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

SECTION 1. 71.07 (8b) (a) 7. of the statutes is amended to read:

71.07 (8b) (a) 7. "Qualified development" means a qualified low-income housing project under section 42 (g) of the Internal Revenue Code that is ~~financed with tax-exempt bonds, pursuant to section 42 (i) (2) of the Internal Revenue Code, and~~ located in this state.

SECTION 2. 71.07 (8b) (c) 2. of the statutes is amended to read:

71.07 (8b) (c) 2. A partnership, limited liability company, or tax-option corporation may not claim the credit under this subsection. The partners of a partnership, members of a limited liability company, or shareholders in a tax-option corporation may claim the credit under this subsection based on eligible costs incurred by the partnership, limited liability company, or tax-option corporation. The partnership, limited liability company, or tax-option corporation shall calculate the amount of the credit that may be claimed by each partner, member, or shareholder and shall provide that information to the partner, member, or shareholder. For shareholders of a tax-option corporation, the credit may be allocated in proportion to the ownership interest of each shareholder. Credits computed by a partnership or limited liability

company may be claimed in proportion to the ownership interests of the partners or members or allocated to partners or members as provided in a written agreement among the partners or members that is entered into no later than the last day of the taxable year of the partnership or limited liability company, for which the credit is claimed. Any partner or member who claims the credit as allocated by a written agreement shall provide a copy of the agreement with the tax return on which the credit is claimed. ~~A- Except as provided in s. 71.745, a person~~ claiming the credit as provided under this subdivision is solely responsible for any tax liability arising from a dispute with the department of revenue related to claiming the credit.

SECTION 3. 71.28 (8b) (a) 7. of the statutes is amended to read:

71.28 (8b) (a) 7. "Qualified development" means a qualified low-income housing project under section 42 (g) of the Internal Revenue Code that is ~~financed with tax-exempt bonds, pursuant to section 42 (i) (2) of the Internal Revenue Code, and~~ located in this state.

SECTION 4. 71.28 (8b) (c) 2. of the statutes is amended to read:

71.28 (8b) (c) 2. A partnership, limited liability company, or tax-option corporation may not claim the credit under this subsection. The partners of a partner-

* 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."

ship, members of a limited liability company, or shareholders in a tax-option corporation may claim the credit under this subsection based on eligible costs incurred by the partnership, limited liability company, or tax-option corporation. The partnership, limited liability company, or tax-option corporation shall calculate the amount of the credit that may be claimed by each partner, member, or shareholder and shall provide that information to the partner, member, or shareholder. For shareholders of a tax-option corporation, the credit may be allocated in proportion to the ownership interest of each shareholder. Credits computed by a partnership or limited liability company may be claimed in proportion to the ownership interests of the partners or members or allocated to partners or members as provided in a written agreement among the partners or members that is entered into no later than the last day of the taxable year of the partnership or limited liability company, for which the credit is claimed. Any partner or member who claims the credit as allocated by a written agreement shall provide a copy of the agreement with the tax return on which the credit is claimed. ~~A. Except as provided in s. 71.745, a person claiming the credit as provided under this subdivision is solely responsible for any tax liability arising from a dispute with the department of revenue related to claiming the credit.~~

SECTION 5. 71.47 (8b) (a) 7. of the statutes is amended to read:

71.47 (8b) (a) 7. “Qualified development” means a qualified low-income housing project under section 42 (g) of the Internal Revenue Code that is ~~financed with tax-exempt bonds, pursuant to section 42 (i) (2) of the Internal Revenue Code, and~~ located in this state.

SECTION 6. 71.47 (8b) (c) 2. of the statutes is amended to read:

71.47 (8b) (c) 2. A partnership, limited liability company, or tax-option corporation may not claim the credit under this subsection. The partners of a partnership, members of a limited liability company, or shareholders in a tax-option corporation may claim the credit under this subsection based on eligible costs incurred by the partnership, limited liability company, or tax-option corporation. The partnership, limited liability company, or tax-option corporation shall calculate the amount of the credit that may be claimed by each partner, member, or shareholder and shall provide that information to the partner, member, or shareholder. For shareholders of a tax-option corporation, the credit may be allocated in proportion to the ownership interest of each shareholder. Credits computed by a partnership or limited liability company may be claimed in proportion to the ownership interests of the partners or members or allocated to partners or members as provided in a written agreement among the partners or members that is entered into no

later than the last day of the taxable year of the partnership or limited liability company, for which the credit is claimed. Any partner or member who claims the credit as allocated by a written agreement shall provide a copy of the agreement with the tax return on which the credit is claimed. ~~A. Except as provided in s. 71.745, a person claiming the credit as provided under this subdivision is solely responsible for any tax liability arising from a dispute with the department of revenue related to claiming the credit.~~

SECTION 7. 76.639 (1) (g) of the statutes is amended to read:

76.639 (1) (g) “Qualified development” means a qualified low-income housing project under section 42 (g) of the Internal Revenue Code that is ~~financed with tax-exempt bonds, pursuant to section 42 (i) (2) of the Internal Revenue Code, and~~ located in this state.

SECTION 8. 76.639 (3) of the statutes is renumbered 76.639 (3) (a).

SECTION 9. 76.639 (3) (b) of the statutes is created to read:

76.639 (3) (b) A partnership, limited liability company, or tax-option corporation may not claim the credit under this section. An insurer, if a partner of a partnership, member of a limited liability company, or shareholder in a tax-option corporation, may claim the credit under this section based on eligible costs incurred by the partnership, limited liability company, or tax-option corporation. The partnership, limited liability company, or tax-option corporation shall calculate the amount of the credit that may be claimed by the insurer as a partner, member, or shareholder and shall provide that information to the insurer. If an insurer is a shareholder of a tax-option corporation, the credit may be allocated in proportion to its ownership interest as a shareholder. If an insurer is a partner of a partnership or member of a limited liability company, credits may be claimed in proportion to the insurer’s ownership interest or allocated to the insurer as provided in a written agreement among the partners or members that is entered into no later than the last day of the taxable year of the partnership or limited liability company for which the credit is claimed. Any insurer who claims the credit as allocated by a written agreement shall provide a copy of the agreement with the tax return on which the credit is claimed.

SECTION 10. 76.67 (2) of the statutes is amended to read:

76.67 (2) If any domestic insurer is licensed to transact insurance business in another state, this state may not require similar insurers domiciled in that other state to pay taxes greater in the aggregate than the aggregate amount of taxes that a domestic insurer is required to pay to that other state for the same year less the credits

under ss. 76.635, 76.636, 76.637, 76.638, 76.639, and 76.655, except that the amount imposed shall not be less than the total of the amounts due under ss. 76.65 (2) and 601.93 and, if the insurer is subject to s. 76.60, 0.375 percent of its gross premiums, as calculated under s. 76.62, less offsets allowed under s. 646.51 (7) or under ss. 76.635, 76.636, 76.637, 76.638, 76.639, and 76.655 against that total, and except that the amount imposed shall not be less than the amount due under s. 601.93.

SECTION 11. 234.45 (1) (e) of the statutes is amended to read:

234.45 (1) (e) “Qualified development” means a qualified low-income housing project under section 42 (g) of the Internal Revenue Code that is ~~financed with tax exempt bonds, pursuant to section 42 (i) (2) of the Internal Revenue Code, and~~ located in this state.

SECTION 12. 234.45 (1) (em) of the statutes is created to read:

234.45 (1) (em) “Rural area” means a city, village, or town in this state that has a population of fewer than 10,000 and that is at least 10 miles from any city, village, or town that has a population of at least 50,000.

SECTION 13. 234.45 (5m) of the statutes is created to read:

234.45 (5m) PREFERENCE FOR RURAL COMMUNITIES. (a) In each qualified allocation plan adopted by the authority after the effective date of this paragraph [LRB inserts date], the authority shall ensure that at least 35 percent of the value of all state tax credits the authority allocates each year pursuant to the qualified allocation plan are for qualified developments located in rural areas.

(b) Paragraph (a) does not apply in any year in which the authority cannot satisfy the 35 percent allocation threshold because the authority does not receive a sufficient number of applications for allocation certificates for qualified developments located in rural areas that have timely submitted complete applications that meet all threshold requirements of the applicable qualified allocation plan as determined by the authority.

SECTION 14. Initial applicability.

(1) The treatment of ss. 71.07 (8b) (a) 7., 71.28 (8b) (a) 7., 71.47 (8b) (a) 7., and 76.639 (1) (g) first applies to taxable years beginning after December 31, 2024.