

2007 DRAFTING REQUEST

Senate Amendment (SA-SSA1-SB40)

Received: **06/18/2007**

Received By: **jkreye**

Wanted: **As time permits**

Identical to LRB:

For: **Legislative Fiscal Bureau**

By/Representing: **Shanovich (RR)**

This file may be shown to any legislator: **NO**

Drafter: **jkreye**

May Contact:

Adtl. Drafters:

Subject: **Tax, Business - credits**

Extra Copies:

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to: **joseph.kreye@legis.wisconsin.gov**

Pre Topic:

LFB:.....Shanovich (RR) -

Topic:

Eliminate the changes to the early stage and angel investment credits

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	jkreye 06/18/2007	jdyer 06/18/2007	pgreensl 06/18/2007	_____	sbasford 06/19/2007		

FE Sent For:

<END>

2007 DRAFTING REQUEST

Senate Amendment (SA-SSA1-SB40)

Received: 06/18/2007

Received By: jkreye

Wanted: As time permits

Identical to LRB:

For: Legislative Fiscal Bureau

By/Representing: Shanovich (RR)

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Addl. Drafters:

Subject: Tax, Business - credits

Extra Copies:

Submit via email: YES

Requester's email:

Carbon copy (CC:) to: joseph.kreye@legis.wisconsin.gov

Pre Topic:

LFB:.....Shanovich (RR) -

Topic:

Eliminate the changes to the early stage and angel investment credits

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	jkreye	1/18 jld	6/18 py	6/18 py			

FE Sent For:

<END>

STATE OF WISCONSIN - LEGISLATIVE REFERENCE BUREAU

LRB

Research (608-266-0341)

Library (608-266-7040)

Legal (608-266-3561)

LRB

6-18-07

Don Mowbray

SDC

eliminate all changes to angel and early
reel

DOA:.....Griffin, BB0288 – Allocation of angel and early stage seed investment credits

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

Under current law, generally, a taxpayer may claim a credit against the taxpayer's income and franchise tax liability on certain amounts invested in new businesses under the early stage seed investment tax credit or the angel investment tax credit. Under rules promulgated by Commerce, the total amount of all angel investment credits that may be claimed in each calendar year is \$3,000,000 and the total amount of all early stage seed investment credits that may be claimed in each calendar year is \$3,500,000. Under the bill, the total amount of angel investment credits that may be claimed in each calendar year is \$5,500,000 and the total amount of all early stage seed investment credits that may be claimed in each calendar year is \$6,000,000. The bill also increases the amount of the investment that may be used as the basis of an angel investment credit from \$500,000 to \$2,000,000. In addition, the bill requires that any person claiming an angel investment credit or an early stage seed investment credit keep his or her investment in a certified business for at least three years. Finally, notwithstanding the credit amount limitations under

current law and under the bill, DOR may, in consultation with Commerce, carry forward unclaimed credit amounts to subsequent taxable years.

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

1 ✓ **SECTION 1.** 71.07 (5b) (c) 1. of the statutes is amended to read:

2 71.07 **(5b)** (c) 1. The Except as provided in s. 73.03 (63), the maximum amount
3 of the credits that may be claimed under this subsection and ss. 71.28 (5b) and 71.47
4 (5b) for all taxable years combined is ~~\$35,000,000~~ \$52,500,000.

5 ✓ **SECTION 2.** 71.07 (5d) (c) 1. of the statutes is amended to read:

6 71.07 **(5d)** (c) 1. The Except as provided in s. 73.03 (63), the maximum amount
7 of the credits that may be claimed under this subsection for all taxable years
8 combined is ~~\$30,000,000~~ \$47,500,000.

9 **SECTION 3.** 71.07 (5d) (c) 2. of the statutes is amended to read:

10 ✓ 71.07 **(5d)** (c) 2. The maximum amount of a claimant's investment that may be
11 used as the basis for a credit under this subsection is ~~\$500,000~~ \$2,000,000 for each
12 investment made directly in a business certified under s. 560.205 (1).

13 **SECTION 4.** 71.28 (5b) (c) 1. of the statutes is amended to read:

14 ✓ 71.28 **(5b)** (c) 1. The Except as provided in s. 73.03 (63), the maximum amount
15 of the credits that may be claimed under this subsection and ss. 71.07 (5b) and 71.47
16 (5b) for all taxable years combined is ~~\$35,000,000~~ \$52,500,000.

17 **SECTION 5.** 71.47 (5b) (c) 1. of the statutes is amended to read:

18 ✓ 71.47 **(5b)** (c) 1. The Except as provided in s. 73.03 (63), the maximum amount
19 of the credits that may be claimed under this subsection and ss. 71.07 (5b) and 71.28
20 (5b) for all taxable years combined is ~~\$35,000,000~~ \$52,500,000.

21 **SECTION 6.** 73.03 (63) of the statutes is created to read:

1 73.03 (63) Notwithstanding the amount limitations specified under ss. 71.07
2 (5b) (c) 1. and (5d) (c) 1., 71.28 (5b) (c) 1., 71.47 (5b) (c) 1., and 560.205 (3) (d), in
3 consultation with the department of commerce, to carry forward to subsequent
4 taxable years unclaimed credit amounts of the early stage seed investment credits
5 under ss. 71.07 (5b), 71.28 (5b), and 71.47 (5b) and the angel investment credit under
6 s. 71.07 (5d). Annually, no later than July 1, the department of commerce shall
7 submit to the department of revenue its recommendations for the carry forward of
8 credit amounts as provided under this subsection.

9 SECTION 7. 560.205 (3) (d) of the statutes is amended to read:

10 560.205 (3) (d) *Rules*. The department of commerce, in consultation with the
11 department of revenue, shall promulgate rules to administer this section. The rules
12 shall further define “bona fide angel investment” for purposes of s. 71.07 (5d) (a) 1.
13 The rules shall limit the aggregate amount of tax credits under s. 71.07 (5d) that may
14 be claimed for investments in businesses certified under sub. (1) at \$3,000,000 per
15 calendar year for calendar years beginning after December 31, 2004. ~~The, and~~
16 \$5,500,000 per calendar year for calendar years beginning after December 31, 2007.
17 The rules shall also limit the aggregate amount of the tax credits under ss. 71.07 (5b),
18 71.28 (5b), and 71.47 (5b) that may be claimed for investments paid to fund managers
19 certified under sub. (2) at \$3,500,000 per calendar year for calendar years beginning
20 after December 31, 2004, and \$6,000,000 per calendar year for calendar years
21 beginning after December 31, 2007. The rules shall also provide that, for calendar
22 years beginning after December 31, 2007, no person may receive a credit under ss.
23 71.07 (5b) and (5d), 71.28 (5b), or 71.47 (5b) unless the person’s investment is kept
24 in a certified business, or with a certified fund manager, for no less than 3 years.

25 (END)



State of Wisconsin
2007 - 2008 LEGISLATURE

LRBb0462/1

JK:.....

JLD

LFB:.....Shanovich (RR) - Eliminate the changes to the early stage and angel investment credits

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

SENATE AMENDMENT ,

TO SENATE SUBSTITUTE AMENDMENT 1,

TO 2007 SENATE BILL 40

6-18-07

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 881, line 10: delete lines 10 to 13. ✓

3 2. Page 881, line 22: delete lines 22 to 25. ✓

4 3. Page 882, line 1: delete lines 1 to 4. ✓

5 4. Page 968, line 19: delete lines 19 to 22. ✓

6 5. Page 1015, line 17: delete lines 17 to 20. ✓

7 6. Page 1045, line 17: delete lines 17 to 25. ✓

8 7. Page 1480, line 6: delete lines 6 to 21. ✓

9 (END)



State of Wisconsin
2007 - 2008 LEGISLATURE

LRBb0462/1
JK:jld:pg

LFB:.....Shanovich (RR) - Eliminate the changes to the early stage and angel investment credits

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

SENATE AMENDMENT ,

TO SENATE SUBSTITUTE AMENDMENT 1,

TO 2007 SENATE BILL 40

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 881, line 10: delete lines 10 to 13.

3 **2.** Page 881, line 22: delete lines 22 to 25.

4 **3.** Page 882, line 1: delete lines 1 to 4.

5 **4.** Page 968, line 19: delete lines 19 to 22.

6 **5.** Page 1015, line 17: delete lines 17 to 20.

7 **6.** Page 1045, line 17: delete lines 17 to 25.

8 **7.** Page 1480, line 6: delete lines 6 to 21.

9

(END)