

### Fiscal Estimate - 2007 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>07-0655/1</b>	<b>Introduction Number</b> <b>SB-293</b>
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**Description**  
 Increasing the amount of the early stage seed and angel investment credits

**Fiscal Effect**

**State:**

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Decrease Existing Appropriations	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Create New Appropriations			<input type="checkbox"/> Decrease Costs

**Local:**

<input type="checkbox"/> No Local Government Costs	<input type="checkbox"/> Indeterminate	<b>5. Types of Local Government Units Affected</b>	
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	<input type="checkbox"/> Towns	<input type="checkbox"/> Village <input type="checkbox"/> Cities
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Counties	<input type="checkbox"/> Others
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<input type="checkbox"/> School Districts	<input type="checkbox"/> WTCS Districts
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.143 (1) (a)	

<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
COMM/ Julie Keal (608) 266-6748	Louie Cornelius (608) 266-8629	11/9/2007

**Fiscal Estimate Narratives**  
**COMM 11/9/2007**

LRB Number	<b>07-0655/1</b>	Introduction Number	<b>SB-293</b>	Estimate Type	<b>Original</b>
<b>Description</b> Increasing the amount of the early stage seed and angel investment credits					

**Assumptions Used in Arriving at Fiscal Estimate**

This bill increases the amount of the angel tax credit and the early stage seed investment credit that the Department of Commerce may allocate annually. Under current law, as affected by 2007 Wisconsin Act 20, Commerce may allocate \$5.5 million to investors for the angel credit, and \$6 million to investors for the early stage seed investment credit. Under this bill, those limits will increase to \$8.775 million for the angel credit, and \$10.225 for the early stage seed investment credit.

Commerce will need 1.0 FTE position to address workload issues arising from the increase to the program. Commerce may certify as a new business venture a business which meets statutory requirements concerning size, employment in the state, years of operation, and level of venture investment. To accomplish this, Commerce uses an application process. It publicizes the program, works with businesses to complete the forms, reviews the completed applications and makes recommendations, and notifies businesses of the determination. Investors in businesses receiving this certification may claim an income or franchise tax credit based on the amount of their investment.

The increase to the credit allocation will increase the number of qualified new business ventures (QNBVs) and the number of investors that Commerce must work with. Commerce currently has 80 QNBVs, and expects 100 by the end of the calendar year. 1.0 FTE position will require the following funding.

Salary -- \$43,600  
Fringe -- \$19,900  
Supplies - \$4,000

TOTAL -- \$67,500

**Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

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<b>LRB Number</b> 07-0655/1		<b>Introduction Number</b> SB-293	
<b>Description</b> Increasing the amount of the early stage seed and angel investment credits			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes	\$63,500		\$
(FTE Position Changes)	(1.0 FTE)		
State Operations - Other Costs	4,000		
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>	<b>\$67,500</b>		<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR	67,500		
FED			
PRO/PRS			
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
	Increased Rev		Decreased Rev
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>	<b>\$</b>		<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	State		Local
NET CHANGE IN COSTS	\$67,500		\$
NET CHANGE IN REVENUE	\$		\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
COMM/ Julie Keal (608) 266-6748		Louie Cornelius (608) 266-8629	11/9/2007