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Details:

(FORM UPDATED: 07/12/2010)

**WISCONSIN STATE LEGISLATURE ...  
PUBLIC HEARING - COMMITTEE RECORDS**

**2007-08**

(session year)

**Senate**

(Assembly, Senate or Joint)

**Committee on ... Commerce, Utilities and Rail  
(SC-CUR)**

**COMMITTEE NOTICES ...**

- *Committee Reports ... CR*
- *Executive Sessions ... ES*
- *Public Hearings ... PH*
- *Record of Comm. Proceedings ... RCP*

**INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL**

- *Appointments ... Appt*
- *Clearinghouse Rules ... CRule*
- *Hearing Records ... bills and resolutions*  
(ab = Assembly Bill)                      (ar = Assembly Resolution)                      (ajr = Assembly Joint Resolution)  
(sb = Senate Bill)                      (sr = Senate Resolution)                      (sjr = Senate Joint Resolution)
- *Miscellaneous ... Misc*

## Angel Investment Tax Credit

Senate Bill 293 and Senate Bill 334

*Senate Committee on Commerce, Utilities and Rail*

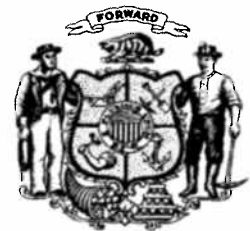
*Thursday, December 20, 2007*

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- In 2004, with bi-partisan support, the Legislature passed and the governor signed Wisconsin 2003 Act 255, which created new tax credit, grant and loan programs administered by the Wisconsin Department of Commerce.
- Act 255 included the Angel and Early Stage Seed Investment Tax Credit.
- The Angel Investment Tax Credit has been very successful, improving capital investment and technological entrepreneurship in Wisconsin and helping the state's emerging high-tech, high-growth businesses.
- **There are currently 79 businesses qualified for tax credits.**
- Out of the \$3 million in credits available each year since Act 255 became law, there are:
  - **\$0 in credits remaining for 2005**
  - \$578,071 in credits remaining for 2006
  - \$2,121,425 in credits remaining for 2007
- Since these credits have been available, several angel investment groups have been created in Wisconsin to help investors take advantage of the tax credits.
- A modest increase in the amount of angel credits available each year was included in this year's budget, but Senate Bill 293 proposes doubling the original (pre-budget figure) to really provide fuel for the high-tech development boom going on in our state.
- Since the passage of Act 255, several changes to improve the program have been proposed (Senate Bill 334), including:
  - Combining the limits of how much angel and venture capital companies can receive, but not expanding either, to allow for more flexibility when raising capital
  - Allowing the Department of Commerce to certify businesses with 100 employees or more, allowing tax credits in lesser amounts for investments in such businesses and giving preference to companies under 100 employees.
  - In addition, the bill allows Commerce to certify a business that is testing or producing a product at the time that business seeks certification.
  - Increasing the amount of tax credit eligible angel investment a certified company can receive from \$1M to \$4M to put angel investments on an even playing field with venture capital investment dollars (Committee Amendment).



# WISCONSIN STATE LEGISLATURE



# Business Law Section

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TO: Senate Committee on Commerce, Utilities and Rail

FROM: Business Law Section Board  
*State Bar of Wisconsin*

DATE: December 20, 2007

RE: Senate Bill 293

The **Business Law Section** (*State Bar of Wisconsin*) **strongly supports** Senate Bill 293, and would like to thank Senator Kanavas for his leadership on this legislation.

This legislation continues Wisconsin's successful policy of providing tax credits for certain investments in early stage Wisconsin companies. Wisconsin Act 255 became law in 2004 and provided for tax credits for certain investments in state certified early stage companies. Act 255 placed certain annual limits on the amount of credits that would be available, and also capped the total amount of tax credits that could be claimed in all taxable years.

Act 255 was successful in encouraging investment in Wisconsin early stage companies and this current legislation is necessary to increase the cap on the total amount of tax credits that can be claimed in all taxable years. In addition, the increase in the annual amount of tax credits available as provided for in the current legislation will provide additional incentives to invest in early stage Wisconsin companies, further stimulating our state's economy.

It is often difficult for entrepreneurs to obtain the capital they need to grow their business. This is particularly true in Wisconsin, where investors have historically focused on more conservative investments. The tax credits provided for in this legislation provide an incentive to invest in these early stage companies.

## State Bar of Wisconsin

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The companies that are certified under this program generally offer large growth opportunities, typically in industries offering high paying jobs and which provide attractive job opportunities to talented Wisconsin residents who might otherwise look for employment outside of Wisconsin. As a result, this legislation has the potential to benefit our State's economy by facilitating the growth of businesses and keeping more of Wisconsin's intellectual capital in the state.

**FOR THE ABOVE REASONS, THE BUSINESS LAW SECTION URGES  
YOUR SUPPORT FOR SENATE BILL 293.**

For additional information contact Cale Battles, Government Relations Coordinator, at (608) 250-6077 or [cbattles@wisbar.org](mailto:cbattles@wisbar.org).

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*The State Bar of Wisconsin establishes and maintains sections for carrying on the work of the association, each within its proper field of study defined in its bylaws. Each section consists of members who voluntarily enroll in the section because of a special interest in the particular field of law to which the section is dedicated. Section positions are taken on behalf of the section only.*

*The views expressed on this issue have not been approved by the Board of Governors of the State Bar of Wisconsin and are not the views of the State Bar as a whole. These views are those of the Section alone.*