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Details:

(FORM UPDATED: 08/11/2010)

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

### 2009-10

(session year)

### Senate

(Assembly, Senate or Joint)

### Committee on ... Small Business, Emergency Preparedness, Technical Colleges, and Consumer Protection (SC-SBEPTCCP)

### COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

### INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

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

## Senate

### Record of Committee Proceedings

#### **Committee on Small Business, Emergency Preparedness, Technical Colleges, and Consumer Protection**

##### **Senate Bill 621**

Relating to: tax benefits for hiring new employees and granting rule-making authority.

By Senators Holperin, Taylor, Hansen, Erpenbach, Hopper and Leibham; cosponsored by Representatives Hintz, Molepske Jr., Vruwink, Pasch, Zigmunt, Hixson, Schneider, Hilgenberg, Garthwaite, Jorgensen, Soletski, Sinicki, Milroy, Berceau, Hebl, Bernard Schaber, Smith, Dexter, Clark, Roys, Mason, Grigsby, Richards, Kerkman and Gunderson.

March 15, 2010      Referred to Committee on Small Business, Emergency Preparedness, Technical Colleges, and Consumer Protection.

March 31, 2010      **PUBLIC HEARING HELD**

Present:    (5)    Senators Wirch, Plale, Holperin, Hopper and Lazich.

Absent:    (0)    None.

##### Appearances For

- Jim Holperin — Senator, 12th Senate District

##### Appearances Against

- None.

##### Appearances for Information Only

- None.

##### Registrations For

- Gordon Hintz — Rep.

##### Registrations Against

- None.

##### Registrations for Information Only

- None.

April 7, 2010

**EXECUTIVE SESSION HELD**

Present: (5) Senators Wirch, Plale, Holperin, Hopper and Lazich.

Absent: (0) None.

Moved by Senator Plale, seconded by Senator Wirch that **Senate Amendment 1** be recommended for adoption.

Ayes: (5) Senators Wirch, Plale, Holperin, Hopper and Lazich.

Noes: (0) None.

ADOPTION OF SENATE AMENDMENT 1 RECOMMENDED,  
Ayes 5, Noes 0

Moved by Senator Plale, seconded by Senator Hopper that **Senate Bill 621** be recommended for passage as amended.

Ayes: (5) Senators Wirch, Plale, Holperin, Hopper and Lazich.

Noes: (0) None.

PASSAGE AS AMENDED RECOMMENDED, Ayes 5, Noes 0

  
\_\_\_\_\_  
Michael Tierney  
Committee Clerk

Date?

Testimony on Senate Bill 621 ...the Small Business Jobs Investment Act  
Senator Jim Holperin, 12<sup>th</sup> Senate District

Thank you Chair Wirch and Committee Members. The legislature has spent considerable time and energy this session developing initiatives to create jobs and support our economy during this severe economic downturn.

Support has taken the form of job training, investment in technical education, expanded unemployment benefits, financial incentives to businesses to expand and other assistance. The economy, obviously, continues to struggle, but this state has enjoyed some successes in retaining and creating jobs with smart, performance-based incentives that have helped larger employers like Mercury Marine, Oshkosh Corporation and Republic Airlines make significant investments in their Wisconsin operations.

However, I and other legislators represent districts where large manufacturing companies are the exception, and our economies are dominated by hundreds and hundreds of small businesses employing only a few employees. Many of these entrepreneurs ask: How has the legislature helped small business?

The Small Business Jobs Investment Act offers a financial incentive for small, small businesses (10 employees or less) to hire new workers. For a qualifying small business that adds new, full-time, non-seasonal workers between now and the end of this year, this legislation will offer a direct cash payment to the small business equal to what the new employee would typically pay in state income taxes.

Under current law, every pay period, the employer would typically withhold a certain amount of the new worker's salary as income taxes and send that amount to the state. Under this bill, the employer just gets to keep the money...and the state will provide the estimated income taxes for that new employee.

Will every new worker who is hired make the employer eligible for this cash incentive? No, only workers who have been unemployed for at least two months and who are not related to the employer will qualify the employer for the incentive. Also, the new worker must be on the employer's payroll for at least 30 days.

How much of a cash incentive will an average small business receive? The bill as drafted provides that a small business can keep an amount equal to the wages of the new employee. That could be \$20,000 or \$30,000 or \$40,000 depending on how much the new worker is paid. I'm not sure this is what the Assembly author of the bill intended, and I'll be speaking with him about an appropriate amendment before this bill is heard in Executive Session. The intent of the bill should be to allow an employer to keep the amount of income tax liability of each newly hired worker...about \$2,000 per worker on average.

There are currently about 85,000 businesses with 9 or fewer employees statewide. This bill appropriates \$2 million to fund the incentives which small businesses will be eligible to receive. This should be enough to assist

over 5,000 small businesses to hire an average of one or two new employees each.

I get the question all the time: “What’s the legislature doing for me?”  
You’ve bailed out the banks and car companies. You’ve helped the “too big to fail” hot shots. What about my little main street business?

Senate Bill 621 is a good answer.