

## 2013 DRAFTING REQUEST

### Bill

Received: 12/17/2012 Received By: jkreye  
Wanted: As time permits Same as LRB:  
For: Peter Barca (608) 266-5504 By/Representing: matt  
May Contact: Drafter: jkreye  
Subject: Tax, Business - credits Addl. Drafters:  
Extra Copies: MPG

Submit via email: YES  
Requester's email: Rep.Barca@legis.wisconsin.gov  
Carbon copy (CC) to: joseph.kreye@legis.wisconsin.gov

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### Pre Topic:

No specific pre topic given

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### Topic:

Entrepreneurial tax credit access grants

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### Instructions:

See attached

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### 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>
/?	jkreye 12/17/2012	evinz 12/18/2012		_____			
/1			jmurphy 12/18/2012	_____	sbasford 12/18/2012	rosrose 2/12/2013	

FE Sent For:

*None Needed*

<END>

*After further review a FE is needed,  
(see attached) sent for 03-04-2013*

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1?	jkreye	1/1/12 12/18/12	1/1/12 12/18/12				
				Jan 12/18			

FE Sent For:

<END>



State of Wisconsin  
2011 - 2012 LEGISLATURE



LRB0198/1

JK & MPG:jld&nwg:ph

cew

0869/11

~~ASSEMBLY SUBSTITUTE AMENDMENT 1,  
TO 2011 ASSEMBLY BILL 90~~

in 12-17-12

D-N

October 10, 2011 - Offered by Representative CLARK.

SOON

SAW  
Xref N/A

regen

- 1 AN ACT *to create* 238.14 of the statutes; **relating to:** entrepreneurial tax credit
- 2 access grants.

bill

**Analysis by the Legislative Reference Bureau**

Under current law, the Wisconsin Economic Development Corporation (WEDC) may certify a person to receive, or a person may otherwise qualify for, income and franchise tax credits based on the person's expenditures in this state related to the person's business. This substitute amendment directs WEDC to establish a grant program under which WEDC may award a grant to a person who wishes to secure financing to make expenditures that would qualify for such tax credits. A person is eligible to receive a grant if the expenditures are made for a business located in this state that has fewer than 25 employees in this state or less than \$5,000,000 in gross receipts. No person may receive a grant unless the person has submitted business and financing plans to a commercial lending institution and submitted copies of the plans to WEDC. Before awarding a grant, WEDC must verify that the lender has approved the person's plans and will underwrite a loan for expenditures, contingent on the person receiving a grant. Under the substitute amendment, a person who

bill

receives a grant to secure financing for making an expenditure that would qualify for a tax credit may not claim a credit for that expenditure.

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

1           SECTION 1. 238.14 of the statutes is created to read:

2           **238.14 Entrepreneurial tax credit access grants.** (1) The corporation  
3 shall establish and administer a program to make grants under this section. The  
4 corporation may award a grant under the program to a person who intends to use the  
5 grant to secure financing for making expenditures that would qualify for a credit  
6 under s. 71.07 (2dy), (3g) (a) 2., (3n), (3p), (3r), (3rm), or (3rn), 71.28 (1dy), (3g) (a)  
7 2., (3n), (3p), (3r), (3rm), or (3rn), or 71.47 (1dy), (3g) (a) 2., (3n), (3p), (3r), (3rm), or  
8 (3rn), if the expenditures are made for a business located in this state that has fewer  
9 than 25 employees in this state or less than \$5,000,000 in gross receipts for the  
10 taxable year in which the person applies for a grant under this section.

11           (2) Any person who wishes to receive a grant under this section shall complete  
12 and submit an application to the corporation and enter into an agreement with the  
13 corporation to use the grant to secure financing for making expenditures described  
14 under sub. (1) and to repay any or all of the grant proceeds to the corporation if the  
15 person fails to comply with the agreement. An agreement under this subsection may  
16 provide that repayment shall be obtained through full or partial repayment of the  
17 principal amount of the grant plus interest, through receipt of a share of future  
18 profits from or an interest in a product or process, or through any other appropriate  
19 means.

20           (3) (a) No person may receive a grant under this section unless the person has  
21 submitted business and financing plans to a commercial lending institution and

1 submitted copies of the plans to the corporation. Before awarding a grant, the  
2 corporation shall verify that the lender has approved the person's plans and will  
3 underwrite a loan for expenditures described under sub. (1), contingent on the  
4 person receiving a grant under this section.

5 (b) The amount of any grant awarded under this section is the amount equal  
6 to 95 percent of the tax credit that the recipient could otherwise receive for making  
7 expenditures described under sub. (1), except that the amount of the grant may not  
8 exceed an amount equal to 20 percent of the cost of the project that is being financed.

9 (c) The corporation shall require, as a condition of the grant, that the recipient  
10 contribute to a project an amount that is not less than the amount the recipient  
11 receives as a grant under this section.

12 (4) A person who receives a grant under this section to secure financing for  
13 making an expenditure described under sub. (1) may not claim a credit under s. 71.07  
14 (2d<sup>y</sup>), (3g) (a) 2., (3n<sup>y</sup>), (3p<sup>y</sup>), (3r<sup>y</sup>), (3rm<sup>y</sup>), or (3rn<sup>y</sup>), 71.28 (1d<sup>y</sup>), (3g) (a) 2., (3n<sup>y</sup>), (3p<sup>y</sup>), (3r<sup>y</sup>),  
15 (3rm<sup>y</sup>), or (3rn<sup>y</sup>), or 71.47 (1d<sup>y</sup>), (3g) (a) 2., (3n<sup>y</sup>), (3p<sup>y</sup>), (3r<sup>y</sup>), (3rm<sup>y</sup>), or (3rn<sup>y</sup>) for that  
16 expenditure.

17 (5) (a) The corporation shall pay grants under this section from the  
18 appropriation under s. 20.192 (1) (r). The total amount that the corporation may  
19 award under this section in a fiscal year is \$8,000,000.

20 (b) The corporation shall establish policies and procedures to administer this  
21 section.

22 (c) The corporation may not award grants under this section after January 1,  
23 2015.

24

(END)

D-N  
date

0869/ldh  
JK

Representative Barca:

This draft is based on Assembly substitute amendment 1  
to 2011 Assembly Bill 90.

JK

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-0869/1dn  
JK:eev:jm

December 18, 2012

Representative Barca:

This draft is based on Assembly Substitute Amendment 1 to 2011 Assembly Bill 90.

Joseph T. Kreye  
Senior Legislative Attorney  
Phone: (608) 266-2263  
E-mail: [joseph.kreye@legis.wisconsin.gov](mailto:joseph.kreye@legis.wisconsin.gov)

**Rose, Stefanie**

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**From:** Egerer, Matt  
**Sent:** Tuesday, February 12, 2013 4:01 PM  
**To:** LRB.Legal  
**Subject:** Draft Review: LRB -0869/1 Topic: Entrepreneurial tax credit access grants

Please Jacket LRB -0869/1 for the ASSEMBLY.

**Barman, Mike**

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**From:** Kreye, Joseph  
**Sent:** Tuesday, March 05, 2013 11:33 AM  
**To:** Barman, Mike  
**Subject:** FW: AB0047/SB0053

Mike,

Here's the email string from the requesters, in case you need it for the files.

And I told Cathlene about it.

Joe

**Joseph T. Kreye**  
Senior Legislative Attorney  
Legislative Reference Bureau  
608 266 2263

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**From:** Gill, Andy  
**Sent:** Tuesday, March 05, 2013 11:31 AM  
**To:** Knickelbine, Mark; Kreye, Joseph  
**Subject:** RE: AB0047/SB0053

No problem, thanks Joe!

**Andy Gill**  
Office of Rep. Fred Clark  
608-266-7746

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**From:** Knickelbine, Mark  
**Sent:** Tuesday, March 05, 2013 11:25 AM  
**To:** Kreye, Joseph; Gill, Andy  
**Subject:** RE: AB0047/SB0053

Joe --

Wow! You mean all we have to do is say no and we don't have to get fiscal estimates? ;-)

You have our office's permission to let DOA and DOR know.

Mark Knickelbine  
Office of State Senator Julie Lassa

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**From:** Kreye, Joseph  
**Sent:** Tue 3/5/2013 10:46 AM  
**To:** Knickelbine, Mark; Gill, Andy  
**Subject:** FW: AB0047/SB0053

Mark and Andy,

It has come to our attention that AB74 and SB53 (entrepreneurial tax credit access grants) inadvertently went out without a fiscal estimate tag. The original bill was based on a substitute amendment from last session and we forgot to put back in the fiscal estimate tag.

With your permission, we can let DOA and DOR know that fiscal estimates should be prepared for these bills.

Sorry for the inconvenience.

Joe

**Joseph T. Kreye**

Senior Legislative Attorney  
Legislative Reference Bureau  
608 266 2263

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**From:** Barman, Mike  
**Sent:** Tuesday, March 05, 2013 10:19 AM  
**To:** Hamele, Mary - DOA  
**Cc:** Kreye, Joseph  
**Subject:** RE: AB0047/SB0053

These two bills were not "tagged" to require a fiscal estimate prepared.

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**From:** Hamele, Mary - DOA [<mailto:Mary.Hamele@wisconsin.gov>]  
**Sent:** Tuesday, March 05, 2013 10:13 AM  
**To:** Sweeney, Matthew - DOR  
**Cc:** Barman, Mike  
**Subject:** RE: AB0047/SB0053

These bills have not been assigned to provide a fiscal estimate, so I cannot assign one. I believe that because the bills have already been introduced it is not possible to add one at this time. I will have Mike from LRB confirm that this is correct. Thank you.

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**From:** Sweeney, Matthew - DOR  
**Sent:** Tuesday, March 05, 2013 10:05 AM  
**To:** Hamele, Mary - DOA  
**Subject:** AB0047/SB0053

Mary,

We were looking at AB0047 and its companion SB0053 and it appears that both DOR and WEDC should be assigned to provide a fiscal estimate for the bills.

If assignment isn't imminent, please request that both agencies be asked to prepare an estimate.

Thanks!

**Matt Sweeney**

Legislative Relations Specialist  
*Division of Research and Policy*  
*Wisconsin Department of Revenue*  
608-267-1262

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