

2013 DRAFTING REQUEST

Bill

Received: 6/6/2013 Received By: jkreye  
 Wanted: As time permits Same as LRB: -2790  
 For: Mandy Wright (608) 266-0654 By/Representing: steve  
 May Contact: Drafter: jkreye  
 Subject: Tax, Business - credits Addl. Drafters:  
 Extra Copies:

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

Pre Topic:

No specific pre topic given

Topic:

Making early stage seed and angel investment credits refundable; having DOA adminster the 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>
/?	jkreye 6/10/2013	kfollett 6/17/2013	phenry 6/17/2013	_____			
/1				_____	mbarman 6/17/2013	roses 8/5/2013	State

FE Sent For:

at intp  
8/23/13

<END>

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/?	jkreye	1/kjf 6/17		_____			

FE Sent For:

<END>

**Kreye, Joseph**

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**From:** Potter, Steve  
**Sent:** Thursday, June 06, 2013 11:08 AM  
**To:** Kreye, Joseph  
**Subject:** Re-Draft of LRB-0868

Hello –

We are looking for a re-draft of LRB-0868 that would mirror an amendment to AB181 that takes control out of WEDC's hands and places it in that of the DOA. That amendment is here:  
[https://docs.legis.wisconsin.gov/2013/related/amendments/ab181/asa1\\_ab181](https://docs.legis.wisconsin.gov/2013/related/amendments/ab181/asa1_ab181). We are not looking for an amendment draft but rather a re-draft of LRB-0868 that inserts this language/action.

While we know you all are incredibly busy, this is a rush project that we need to get done this session period.

If you have any questions, please contact us.

*(end of June)*

Thank you.

**Steve Potter**  
**Legislative Aide**  
**Office of Representative Mandy Wright**  
85th Assembly District  
10 West, State Capitol  
608-266-0654  
[steve.potter@legis.wi.gov](mailto:steve.potter@legis.wi.gov)



State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-0868/1

JK:kjf:jm

2505/11

2013 BILL

in 6-10-13  
SOON  
Today  
regr

and having the department of  
administration administer the  
credits

1 AN ACT to amend 71.07 (5b) (d) 1., 71.07 (5d) (d) 2., 71.10 (4) (gwb), 71.10 (4) (gx),  
2 71.10 (4) (i), 71.28 (5b) (d) 1., 71.30 (3) (eop), 71.30 (3) (f), 71.47 (5b) (d) 1., 71.49  
3 (1) (eop) and 71.49 (1) (f); and to create 20.835 (2) (ba), 71.07 (5b) (d) 1m., 71.07  
4 (5b) (d) 4., 71.07 (5d) (d) 2m., 71.07 (5d) (d) 5., 71.28 (5b) (d) 1m., 71.28 (5b) (d)  
5 4., 71.47 (5b) (d) 1m. and 71.47 (5b) (d) 4. of the statutes; relating to: allowing  
6 refunds for the early stage seed and angel investment tax credits and making  
7 an appropriation.

**Analysis by the Legislative Reference Bureau**

Under current law, a taxpayer may claim early stage seed and angel investment income and franchise tax credits for the taxpayer's investments in qualified new businesses. If the credit amounts exceed the taxpayer's tax liability, the taxpayer does not receive a refund, but, instead, may apply the amount of the unused credits to subsequent taxable years. Under this bill, if the credit amounts exceed the taxpayer's tax liability, the taxpayer receives a refund.

Insert A

**BILL**

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

1           **SECTION 1.** 20.835 (2) (ba) of the statutes is created to read:

2           20.835 (2) (ba) *Early stage seed and angel investment credits.* A sum sufficient  
3 to make the payments under ss. 71.07 (5b) (d) 4. and (5d) (d) 5., 71.28 (5b) (d) 4., and  
4 71.47 (5b) (d) 4.

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

6           71.07 (5b) (d) 1. ~~Section~~ For taxable years beginning before January 1, 2013,  
7 s. 71.28 (4) (e) to (h), as it applies to the credit under s. 71.28 (4), applies to the credit  
8 under this subsection.

9           **SECTION 3.** 71.07 (5b) (d) 1m. of the statutes is created to read:

10           71.07 (5b) (d) 1m. For taxable years beginning after December 31, 2012, s.  
11 71.28 (4) (e), (g), and (h), as it applies to the credit under s. 71.28 (4), applies to the  
12 credit under this subsection.

13           **SECTION 4.** 71.07 (5b) (d) 4. of the statutes is created to read:

14           71.07 (5b) (d) 4. For taxable years beginning after December 31, 2012, if the  
15 allowable amount of the claim under par. (b) exceeds the tax otherwise due under s.  
16 71.02 or 71.08, the amount of the claim not used to offset the tax due shall be certified  
17 by the department of revenue to the department of administration for payment by  
18 check, share draft, or other draft drawn from the appropriation account under s.  
19 20.835 (2) (ba).

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

Insert  
2-4  
A+B

Insert  
2-12  
A+B

Insert  
2-19  
A+B

**BILL**

1           71.07 (5d) (d) 2. ~~Section~~ For taxable years beginning before January 1, 2013,  
2 s. 71.28 (4) (e) to (h), as it applies to the credit under s. 71.28 (4), applies to the credit  
3 under this subsection.

4           **SECTION 6.** 71.07 (5d) (d) 2m. of the statutes is created to read:

5           71.07 (5d) (d) 2m. For taxable years beginning after December 31, 2012, s.  
6 71.28 (4) (e), (g), and (h), as it applies to the credit under s. 71.28 (4), applies to the  
7 credit under this subsection.

8           **SECTION 7.** 71.07 (5d) (d) 5. of the statutes is created to read:

9           71.07 (5d) (d) 5. For taxable years beginning after December 31, 2012, if the  
10 allowable amount of the claim under par. (b) exceeds the tax otherwise due under s.  
11 71.02 or 71.08, the amount of the claim not used to offset the tax due shall be certified  
12 by the department of revenue to the department of administration for payment by  
13 check, share draft, or other draft drawn from the appropriation account under s.  
14 20.835 (2) (ba).

15           **SECTION 8.** 71.10 (4) (gwb) of the statutes is amended to read:

16           71.10 (4) (gwb) Early stage seed investment credit under s. 71.07 (5b), except  
17 as provided under par. (i).

18           **SECTION 9.** 71.10 (4) (gx) of the statutes is amended to read:

19           71.10 (4) (gx) Angel investment credit under s. 71.07 (5d), except as provided  
20 under par. (i).

21           **SECTION 10.** 71.10 (4) (i) of the statutes is amended to read:

22           71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland  
23 preservation credit under ss. 71.57 to 71.61, farmland preservation credit, 2010 and  
24 beyond under s. 71.613, homestead credit under subch. VIII, farmland tax relief  
25 credit under s. 71.07 (3m), dairy manufacturing facility investment credit under s.

**BILL**

1 71.07 (3p), jobs tax credit under s. 71.07 (3q), meat processing facility investment  
 2 credit under s. 71.07 (3r), woody biomass harvesting and processing credit under s.  
 3 71.07 (3rm), food processing plant and food warehouse investment credit under s.  
 4 71.07 (3rn), early stage seed investment credit under s. 71.07 (5b) (d) 4., angel  
 5 investment credit under s. 71.07 (5d) (d) 5., film production services credit under s.  
 6 71.07 (5f), film production company investment credit under s. 71.07 (5h), veterans  
 7 and surviving spouses property tax credit under s. 71.07 (6e), enterprise zone jobs  
 8 credit under s. 71.07 (3w), beginning farmer and farm asset owner tax credit under  
 9 s. 71.07 (8r), earned income tax credit under s. 71.07 (9e), estimated tax payments  
 10 under s. 71.09, and taxes withheld under subch. X.

11 **SECTION 11.** 71.28 (5b) (d) 1. of the statutes is amended to read:

12 71.28 (5b) (d) 1. Subsection For taxable years beginning before January 1,  
 13 2013, sub. (4) (e) to (h), as it applies to the credit under sub. (4), applies to the credit  
 14 under this subsection.

15 **SECTION 12.** 71.28 (5b) (d) 1m. of the statutes is created to read:

16 71.28 (5b) (d) 1m. For taxable years beginning after December 31, 2012, sub.  
 17 (4) (e), (g), and (h), as it applies to the credit under sub. (4), applies to the credit under  
 18 this subsection.

19 **SECTION 13.** 71.28 (5b) (d) 4. of the statutes is created to read:

20 71.28 (5b) (d) 4. For taxable years beginning after December 31, 2012, if the  
 21 allowable amount of the claim under par. (b) exceeds the tax otherwise due under s.  
 22 71.23, the amount of the claim not used to offset the tax due shall be certified by the  
 23 department of revenue to the department of administration for payment by check,  
 24 share draft, or other draft drawn from the appropriation account under s. 20.835 (2)  
 25 (ba).

Amend  
4-10  
A & B

Amend  
4-18

**BILL**

1           **SECTION 14.** 71.30 (3) (eop) of the statutes is amended to read:

2           71.30 (3) (eop) Early stage seed investment credit under s. 71.28 (5b), except  
3 as provided under par. (f).

4           **SECTION 15.** 71.30 (3) (f) of the statutes is amended to read:

5           71.30 (3) (f) The total of farmland preservation credit under subch. IX,  
6 farmland tax relief credit under s. 71.28 (2m), dairy manufacturing facility  
7 investment credit under s. 71.28 (3p), jobs credit under s. 71.28 (3q), meat processing  
8 facility investment credit under s. 71.28 (3r), woody biomass harvesting and  
9 processing credit under s. 71.28 (3rm), food processing plant and food warehouse  
10 investment credit under s. 71.28 (3rn), enterprise zone jobs credit under s. 71.28  
11 (3w), early stage seed investment credit under s. 71.28 (5b) (d) 4., film production  
12 services credit under s. 71.28 (5f), film production company investment credit under  
13 s. 71.28 (5h), beginning farmer and farm asset owner tax credit under s. 71.28 (8r),  
14 and estimated tax payments under s. 71.29.

15           **SECTION 16.** 71.47 (5b) (d) 1. of the statutes is amended to read:

16           71.47 (5b) (d) 1. ~~Section~~ For taxable years beginning before January 1, 2013,  
17 s. 71.28 (4) (e) to (h), as it applies to the credit under s. 71.28 (4), applies to the credit  
18 under this subsection.

19           **SECTION 17.** 71.47 (5b) (d) 1m. of the statutes is created to read:

20           71.47 (5b) (d) 1m. For taxable years beginning after December 31, 2012, s.  
21 71.28 (4) (e), (g), and (h), as it applies to the credit under s. 71.28 (4), applies to the  
22 credit under this subsection.

23           **SECTION 18.** 71.47 (5b) (d) 4. of the statutes is created to read:

24           71.47 (5b) (d) 4. For taxable years beginning after December 31, 2012, if the  
25 allowable amount of the claim under par. (b) exceeds the tax otherwise due under s.

Amend  
5-14  
ABB

Amend  
5-22

**BILL**

1 71.43, the amount of the claim not used to offset the tax due shall be certified by the  
 2 department of revenue to the department of administration for payment by check,  
 3 share draft, or other draft drawn from the appropriation account under s. 20.835 (2)  
 4 (ba).

5 **SECTION 19.** 71.49 (1) (eop) of the statutes is amended to read:

6 71.49 (1) (eop) Early stage seed investment credit under s. 71.47 (5b), except  
 7 as provided under par. (f).

8 **SECTION 20.** 71.49 (1) (f) of the statutes is amended to read:

9 71.49 (1) (f) The total of farmland preservation credit under subch. IX,  
 10 farmland tax relief credit under s. 71.47 (2m), dairy manufacturing facility  
 11 investment credit under s. 71.47 (3p), jobs credit under s. 71.47 (3q), meat processing  
 12 facility investment credit under s. 71.47 (3r), woody biomass harvesting and  
 13 processing credit under s. 71.47 (3rm), food processing plant and food warehouse  
 14 investment credit under s. 71.47 (3rn), enterprise zone jobs credit under s. 71.47  
 15 (3w), early stage seed investment credit under s. 71.47 (5b) (d) 4., film production  
 16 services credit under s. 71.47 (5f), film production company investment credit under  
 17 s. 71.47 (5h), beginning farmer and farm asset owner tax credit under s. 71.47 (8r),  
 18 and estimated tax payments under s. 71.48.

19 **SECTION 21. Effective date.**

20 (1) This act takes effect on the day after publication of the 2013-2015 biennial  
 21 budget act.

22 (END)

Insert  
6-18

Insert 2 - 4 A

1 SECTION 1. 71.07 (3q) (c) of the statutes is amended to read:

2 71.07 (3q) (c) 3. The maximum amount of credits that may be awarded under  
3 this subsection and ss. 71.28 (3q) and 71.47 (3q) for the period beginning on January  
4 1, 2010, and ending on June 30, 2013, is \$14,500,000, not including the amount of  
5 any credits reallocated under s. ~~238.15 (3) (d)~~ or s. ~~560.205 (3) (d)~~, 2009 stats. ~~16.296~~  
6 (3) (d).

**History:** 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135, 183, 255, 267, 326; 2005 a. 25, 49, 72, 74, 97, 177, 254, 361, 387, 479, 483, 487; 2007 a. 11, 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 s. 80; s. 35.17 correction in (2dr) (a), (5n) (a) (intro.).

Insert 2 - 19 A

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

8 71.07 (5d) (c) 2. For taxable years beginning before January 1, 2008, the  
9 maximum amount of a claimant's investment that may be used as the basis for a  
10 credit under this subsection is \$2,000,000 for each investment made directly in a  
11 business certified under s. ~~238.15 (1)~~, 2011 stats. or s. 560.205 (1), 2009 stats.

**History:** 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135, 183, 255, 267, 326; 2005 a. 25, 49, 72, 74, 97, 177, 254, 361, 387, 479, 483, 487; 2007 a. 11, 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 s. 80; s. 35.17 correction in (2dr) (a), (5n) (a) (intro.).

Insert 4 - 10 A

12 SECTION 3. 71.28 (3q) (c) 3. of the statutes is amended to read:

13 71.28 (3q) (c) 3. The maximum amount of credits that may be awarded under  
14 this subsection and ss. 71.07 (3q) and 71.47 (3q) for the period beginning on January  
15 1, 2010, and ending on June 30, 2013, is \$14,500,000, not including the amount of  
16 any credits reallocated under s. ~~238.15 (3) (d)~~ or s. ~~560.205 (3) (d)~~, 2009 stats. ~~16.296~~  
17 (3) (d).

**History:** 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326; 2005 a. 25, 74, 97, 361, 387, 452, 479, 483, 487; 2007 a. 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 3, 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 s. 80; s. 35.17 correction in (1dm) (a) 1.

Insert 5 - 14 A

1           **SECTION 4.** 71.47 (3q) (c) 3. of the statutes is amended to read:

2           71.47 **(3q)** (c) 3. The maximum amount of credits that may be awarded under  
3           this subsection and ss. 71.07 (3q) and 71.28 (3q) for the period beginning on January  
4           1, 2010, and ending on June 30, 2013, is \$14,500,000, not including the amount of  
5           any credits reallocated under s. ~~238.15 (3) (d)~~ or s. ~~560.205 (3) (d)~~, 2009 stats 16.296  
6           (3) (d).

**History:** 1987 a. 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326; 2005 a. 25, 74, 97, 361, 387, 452, 479, 483, 487; 2007 a. 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 3, 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 ss. 80, 81.

2013-2014 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-2505/?ins  
JK:.....

Insert A

*no #*  
The bill also transfers the administration of the early stage seed and angel investment credits from the Wisconsin Economic Development Corporation to the Department of Administration.

Insert 2 - 4 *B*

*Amend 2-4 A here*  
1 SECTION 1. 71.07 (5b) (a) 2. of the statutes is amended to read:

2 71.07 (5b) (a) 2. "Fund manager" means an investment fund manager certified

3 under s. ~~238.15 (2) or s. 560.205 (2), 2009 stats. 16.296 (2).~~

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135, 183, 255, 267, 326; 2005 a. 25, 49, 72, 74, 97, 177, 254, 361, 387, 479, 483, 487; 2007 a. 11, 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 s. 80; s. 35.17 correction in (2dr) (a), (5n) (a) (intro.).

4 SECTION 2. 71.07 (5b) (b) of the statutes is amended to read:

5 71.07 (5b) (b) *Filing claims.* 1. ~~For taxable years beginning after December~~  
6 ~~31, 2004,~~ subject Subject to the limitations provided under this subsection and s.

7 ~~238.15 or s. 560.205, 2009 stats. 16.296,~~ and except as provided in subd. 2., a claimant

8 may claim as a credit against the tax imposed under ss. 71.02 and 71.08, up to the

9 amount of those taxes, 25 percent of the claimant's investment paid to a fund

10 manager that the fund manager invests in a business certified under s. ~~238.15 (1) or~~

11 ~~s. 560.205 (1), 2009 stats. 16.296 (1).~~

12 2. In the case of a partnership, limited liability company, or tax-option

13 corporation, the computation of the 25 percent limitation under subd. 1. shall be

14 determined at the entity level rather than the claimant level and may be allocated

15 among the claimants who make investments in the manner set forth in the entity's

16 organizational documents. The entity shall provide to the department of revenue

17 and to the department of ~~commerce or the Wisconsin Economic Development~~

18 ~~Corporation~~ administration the names and tax identification numbers of the

1 claimants, the amounts of the credits allocated to the claimants, and the  
2 computation of the allocations.

**History:** 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135, 183, 255, 267, 326; 2005 a. 25, 49, 72, 74, 97, 177, 254, 361, 387, 479, 483, 487; 2007 a. 11, 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 s. 80; s. 35.17 correction in (2dr) (a), (5n) (a) (intro.).

**Insert 2 - 12**

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

4 71.07 (5b) (d) 3. Except as provided under s. ~~238.15 (3) (d) (intro.)~~ 16.296 (3)  
5 (d) (intro.), for investments made after December 31, 2007, if an investment for which  
6 a claimant claims a credit under par. (b) is held by the claimant for less than 3 years,  
7 the claimant shall pay to the department, in the manner prescribed by the  
8 department, the amount of the credit that the claimant received related to the  
9 investment.

**History:** 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135, 183, 255, 267, 326; 2005 a. 25, 49, 72, 74, 97, 177, 254, 361, 387, 479, 483, 487; 2007 a. 11, 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 s. 80; s. 35.17 correction in (2dr) (a), (5n) (a) (intro.).

**Insert 2 - 19 B**

10 **SECTION 4.** 71.07 (5d) (a) 1. (intro.) of the statutes is amended to read:

11 71.07 (5d) (a) 1. (intro.) "Bona fide angel investment" means a purchase of an  
12 equity interest, or any other expenditure, as determined by rule under s. ~~238.15 or~~  
13 ~~s. 560.205, 2009 stats.~~ 16.296, that is made by any of the following:

**History:** 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135, 183, 255, 267, 326; 2005 a. 25, 49, 72, 74, 97, 177, 254, 361, 387, 479, 483, 487; 2007 a. 11, 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 s. 80; s. 35.17 correction in (2dr) (a), (5n) (a) (intro.).

14 **SECTION 5.** 71.07 (5d) (a) 2m. of the statutes is amended to read:

15 71.07 (5d) (a) 2m. "Person" means a partnership or limited liability company  
16 that is a nonoperating entity, as determined by the department of ~~commerce or the~~  
17 ~~Wisconsin Economic Development Corporation~~ administration, a natural person, or  
18 fiduciary.

**History:** 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135,

183, 255, 267, 326; 2005 a. 25, 49, 72, 74, 97, 177, 254, 361, 387, 479, 483, 487; 2007 a. 11, 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 s. 80; s. 35.17 correction in (2dr) (a), (5n) (a) (intro.).

1 **SECTION 6.** 71.07 (5d) (a) 3. of the statutes is amended to read:

2 71.07 (5d) (a) 3. "Qualified new business venture" means a business that is  
3 certified under s. ~~238.15 (1)~~ or s. ~~560.205 (1)~~, 2009 stats. 16.296 (1).

**History:** 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135, 183, 255, 267, 326; 2005 a. 25, 49, 72, 74, 97, 177, 254, 361, 387, 479, 483, 487; 2007 a. 11, 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 s. 80; s. 35.17 correction in (2dr) (a), (5n) (a) (intro.).

4 **SECTION 7.** 71.07 (5d) (b) (intro.) of the statutes is amended to read:

5 71.07 (5d) (b) (intro.) *Filing claims.* Subject to the limitations provided in this  
6 subsection and in s. ~~238.15~~ or s. ~~560.205~~, 2009 stats. 16.296, a claimant may claim  
7 as a credit against the tax imposed under s. 71.02 or 71.08, up to the amount of those  
8 taxes, the following:

**History:** 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135, 183, 255, 267, 326; 2005 a. 25, 49, 72, 74, 97, 177, 254, 361, 387, 479, 483, 487; 2007 a. 11, 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 s. 80; s. 35.17 correction in (2dr) (a), (5n) (a) (intro.).

9 **SECTION 8.** 71.07 (5d) (b) 2. of the statutes is amended to read:

10 71.07 (5d) (b) 2. For taxable years beginning after December 31, 2007, and  
11 before January 1, 2013, for the taxable year certified by the department of commerce  
12 or the Wisconsin Economic Development Corporation, an amount equal to 25 percent  
13 of the claimant's bona fide angel investment made directly in a qualified new  
14 business venture.

**History:** 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135, 183, 255, 267, 326; 2005 a. 25, 49, 72, 74, 97, 177, 254, 361, 387, 479, 483, 487; 2007 a. 11, 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 s. 80; s. 35.17 correction in (2dr) (a), (5n) (a) (intro.).

15 **SECTION 9.** 71.07 (5d) (b) 3. of the statutes is created to read:

16 71.07 (5d) (b) 3. For taxable years beginning after December 31, 2012, for the  
17 taxable year certified by the department of administration, an amount equal to 25  
18 percent of the claimant's bona fide angel investment made directly in a qualified new  
19 business venture.

**SECTION 10.** 71.07 (5d) (d) 1. of the statutes is amended to read:

insert<sup>20</sup>  
2-19A  
KOR

1           71.07 (5d) (d) 1. Except as provided under s. ~~238.15 (3) (d) (intro.)~~ 16.296 (3)  
2           (d) (intro.), for investments made after December 31, 2007, if an investment for which  
3           a claimant claims a credit under par. (b) is held by the claimant for less than 3 years,  
4           the claimant shall pay to the department, in the manner prescribed by the  
5           department, the amount of the credit that the claimant received related to the  
6           investment.

**History:** 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135, 183, 255, 267, 326; 2005 a. 25, 49, 72, 74, 97, 177, 254, 361, 387, 479, 483, 487; 2007 a. 11, 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 s. 80; s. 35.17 correction in (2dr) (a), (5n) (a) (intro.).

**Insert 4 - 10 B**

*Insert  
4-10A  
here*

7           **SECTION 11.** 71.28 (5b) (a) 2. of the statutes is amended to read:  
8           71.28 (5b) (a) 2. "Fund manager" means an investment fund manager certified  
9           under s. ~~238.15 (2) or s. 560.205 (2), 2009 stats.~~ 16.296 (2).

**History:** 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326; 2005 a. 25, 74, 97, 361, 387, 452, 479, 483, 487; 2007 a. 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 3, 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 s. 80; s. 35.17 correction in (1dm) (a) 1.

10           **SECTION 12.** 71.28 (5b) (b) of the statutes is amended to read:  
11           71.28 (5b) (b) *Filing claims.* 1. ~~For taxable years beginning after December~~  
12           ~~31, 2004, subject~~ Subject to the limitations provided under this subsection and s.  
13           ~~238.15 or s. 560.205, 2009 stats.~~ 16.296, and except as provided in subd. 2., a claimant  
14           may claim as a credit against the tax imposed under s. 71.23, up to the amount of  
15           those taxes, 25 percent of the claimant's investment paid to a fund manager that the  
16           fund manager invests in a business certified under s. ~~238.15 (1) or s. 560.205 (1), 2009~~  
17           ~~stats.~~ 16.296 (1).

18           2. In the case of a partnership, limited liability company, or tax-option  
19           corporation, the computation of the 25 percent limitation under subd. 1. shall be  
20           determined at the entity level rather than the claimant level and may be allocated  
21           among the claimants who make investments in the manner set forth in the entity's

1 organizational documents. The entity shall provide to the department of revenue  
 2 and to the department of ~~eommerce or the Wisconsin Economic Development~~  
 3 ~~Corporation~~ administration the names and tax identification numbers of the  
 4 claimants, the amounts of the credits allocated to the claimants, and the  
 5 computation of the allocations.

History: 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326; 2005 a. 25, 74, 97, 361, 387, 452, 479, 483, 487; 2007 a. 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 3, 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 s. 80; s. 35.17 correction in (1dm) (a) 1.

**Insert 4 - 18**

6 **SECTION 13.** 71.28 (5b) (d) 3. of the statutes is amended to read: ✓  
 7 71.28 (5b) (d) 3. Except as provided under s. ~~238.15 (3) (d) (intro.)~~ 16.296 (3) ✓  
 8 (d) (intro.), for investments made after December 31, 2007, if an investment for which  
 9 a claimant claims a credit under par. (b) is held by the claimant for less than 3 years,  
 10 the claimant shall pay to the department, in the manner prescribed by the  
 11 department, the amount of the credit that the claimant received related to the  
 12 investment.

History: 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326; 2005 a. 25, 74, 97, 361, 387, 452, 479, 483, 487; 2007 a. 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 3, 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 s. 80; s. 35.17 correction in (1dm) (a) 1.

**Insert 5 - 14 B**

13 **SECTION 14.** 71.47 (5b) (a) 2. of the statutes is amended to read:  
 14 71.47 (5b) (a) 2. "Fund manager" means an investment fund manager certified  
 15 under s. ~~238.15 (2) or s. 560.205 (2), 2009 stats.~~ ✓ 16.296 (2).

History: 1987 a. 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326; 2005 a. 25, 74, 97, 361, 387, 452, 479, 483, 487; 2007 a. 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 3, 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 ss. 80, 81.

16 **SECTION 15.** 71.47 (5b) (b) of the statutes is amended to read:  
 17 71.47 (5b) (b) *Filing claims.* 1. For taxable years beginning after December  
 18 31, 2004, subject Subject to the limitations provided under this subsection and s.  
 19 ~~238.15 or s. 560.205, 2009 stats.~~ ✓ 16.296, and except as provided in subd. 2., a claimant

Insert  
5-14A

1 may claim as a credit against the tax imposed under s. 71.43, up to the amount of  
 2 those taxes, 25 percent of the claimant's investment paid to a fund manager that the  
 3 fund manager invests in a business certified under s. ~~238.15 (1)~~ or s. ~~560.205 (1)~~, 2009  
 4 stats 16.296 (1).

5 2. In the case of a partnership, limited liability company, or tax-option  
 6 corporation, the computation of the 25 percent limitation under subd. 1. shall be  
 7 determined at the entity level rather than the claimant level and may be allocated  
 8 among the claimants who make investments in the manner set forth in the entity's  
 9 organizational documents. The entity shall provide to the department of revenue  
 10 and to the department of ~~commerce or the Wisconsin Economic Development~~  
 11 ~~Corporation~~ administration the names and tax identification numbers of the  
 12 claimants, the amounts of the credits allocated to the claimants, and the  
 13 computation of the allocations.

**History:** 1987 a. 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326; 2005 a. 25, 74, 97, 361, 387, 452, 479, 483, 487; 2007 a. 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 3, 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 ss. 80, 81.

**Insert 5 - 22**

14 **SECTION 16.** 71.47 (5b) (d) 3. of the statutes is amended to read:  
 15 71.47 (5b) (d) 3. Except as provided under s. ~~238.15 (3) (d) (intro.)~~ 16.296 (3)  
 16 (d) (intro.), for investments made after December 31, 2007, if an investment for which  
 17 a claimant claims a credit under par. (b) is held by the claimant for less than 3 years,  
 18 the claimant shall pay to the department, in the manner prescribed by the  
 19 department, the amount of the credit that the claimant received related to the  
 20 investment.

**History:** 1987 a. 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326; 2005 a. 25, 74, 97, 361, 387, 452, 479, 483, 487; 2007 a. 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 3, 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 ss. 80, 81.

**Insert 6 - 18**

1 SECTION 17. 73.03 (63) of the statutes is amended to read:

2 73.03 (63) Notwithstanding the amount limitations specified under s. 71.07  
3 (5d) (c) 1. and s. ~~238.15 (3) (d) or s. 560.205 (3) (d), 2009 stats. 16.296 (3) (d)~~, in  
4 consultation with the department of ~~commerce or the Wisconsin Economic~~  
5 ~~Development Corporation~~ administration, to carry forward to subsequent taxable  
6 years unclaimed credit amounts of the early stage seed investment credits under ss.  
7 71.07 (5b), 71.28 (5b), 71.47 (5b), and 76.638 and the angel investment credit under  
8 s. 71.07 (5d). Annually, no later than July 1, the department of ~~commerce or the~~  
9 ~~Wisconsin Economic Development Corporation~~ administration shall submit to the  
10 department of revenue its recommendations for the carry forward of credit amounts  
11 as provided under this subsection.

History: 1971 c. 40, 215; 1973 c. 90; 1975 c. 39; 1977 c. 143; 1977 c. 196 s. 130 (7); 1977 c. 313; 1979 c. 34; 1979 c. 110 s. 60 (13); 1979 c. 221, 350; 1981 c. 20; 1981 c. 79 s. 18; 1983 a. 275 s. 15 (4); 1983 a. 524; 1983 a. 538 s. 269 (3); 1985 a. 12, 29, 273; 1987 a. 4, 27, 186; 1987 a. 312 s. 17; 1987 a. 328, 378, 399; 1989 a. 31; 1989 a. 56 s. 259; 1989 a. 74, 335; 1991 a. 39, 219, 313, 316; 1993 a. 16, 112, 205, 490; 1995 a. 27 ss. 3434g to 3440m, 9145 (1); 1995 a. 209, 233; 1997 a. 27, 35, 191, 237, 252; 1999 a. 9, 31, 185; 2001 a. 16, 44, 104, 107, 109; 2003 a. 33, 127; 2005 a. 25, 259; 2007 a. 20, 86; 2009 a. 2, 28, 180, 401; 2011 a. 10, 32, 257.

12 SECTION 18. 76.638 (1) of the statutes is amended to read:

13 76.638 (1) DEFINITIONS. In this section, "fund manager" means an investment  
14 fund manager certified under s. ~~238.15 (2) or s. 560.205 (2), 2009 stats. 16.296 (2).~~

History: 2009 a. 2; 2011 a. 32.

15 SECTION 19. 76.638 (2) of the statutes is amended to read:

16 76.638 (2) FILING CLAIMS. ~~For taxable years beginning after December 31, 2008,~~  
17 ~~subject~~ Subject to the limitations provided under this subsection and s. ~~238.15 or s.~~  
18 ~~560.205, 2009 stats. 16.296~~, an insurer may claim as a credit against the fees imposed  
19 under s. 76.60, 76.63, 76.65, 76.66, or 76.67, 25 percent of the insurer's investment  
20 paid to a fund manager that the fund manager invests in a business certified under  
21 s. ~~238.15 or s. 560.205 (1), 2009 stats. 16.296 (1).~~

History: 2009 a. 2; 2011 a. 32.

22 SECTION 20. 238.15 (1) (intro.) of the statutes is renumbered 16.296 (1) (intro.)  
23 and amended to read:

1           16.296 (1) ANGEL INVESTMENT TAX CREDITS. (intro.) The ~~corporation~~ department ✓  
 2 shall implement a program to certify businesses for purposes of s. 71.07 (5d). A  
 3 business desiring certification shall submit an application to the ~~corporation~~  
 4 department ✓ in each taxable year for which the business desires certification. The  
 5 business shall specify in its application the investment amount it wishes to raise and  
 6 the ~~corporation~~ department ✓ may certify the business and determine the amount that  
 7 qualifies for purposes of s. 71.07 (5d). The ~~corporation~~ department ✓ may certify or  
 8 recertify a business for purposes of s. 71.07 (5d) only if the business satisfies all of  
 9 the following conditions:

History: 2003 a. 255; 2005 a. 49, 97; 2007 a. 20, 125; 2009 a. 2, 265, 276; 2011 a. 32 s. 3356; Stats. 2011 s. 238. ~~is~~ 2011 a. 213.

10           **SECTION 21.** 238.15 (1) (a) to (L) of the statutes are renumbered 16.296 (1) (a)  
 11 to (L).

12           **SECTION 22.** 238.15 (1) (m) 1. (intro.), a. and b. of the statutes are renumbered  
 13 16.296 (1) (m) 1. (intro.), a. and b.

14           **SECTION 23.** 238.15 (1) (m) 1. c. of the statutes is renumbered 16.296 (1) (m) 1.  
 15 c. and amended to read:

16           16.296 (1) (m) 1. c. The activities of the business's headquarters, as determined  
 17 by the ~~corporation~~ department ✓.

History: 2003 a. 255; 2005 a. 49, 97; 2007 a. 20, 125; 2009 a. 2, 265, 276; 2011 a. 32 s. 3356; Stats. 2011 s. 238.15; 2011 a. 213.

18           **SECTION 24.** 238.15 (1) (m) 2. of the statutes is renumbered 16.296 (1) (m) 2.

19           **SECTION 25.** 238.15 (2) of the statutes is renumbered 16.296 (2) and amended  
 20 to read:

21           16.296 (2) EARLY STAGE SEED INVESTMENT TAX CREDITS. The ~~corporation~~  
 22 department ✓ shall implement a program to certify investment fund managers for  
 23 purposes of ss. 71.07 (5b), 71.28 (5b), 71.47 (5b), and 76.638. An investment fund  
 24 manager desiring certification shall submit an application to the ~~corporation~~

1 department. The investment fund manager shall specify in the application the  
 2 investment amount that the manager wishes to raise and the ~~corporation~~  
 3 department may certify the manager and determine the amount that qualifies for  
 4 purposes of ss. 71.07 (5b), 71.28 (5b), 71.47 (5b), and 76.638. In determining whether  
 5 to certify an investment fund manager, the ~~corporation~~ department shall consider  
 6 the investment fund manager's experience in managing venture capital funds, the  
 7 past performance of investment funds managed by the applicant, the expected level  
 8 of investment in the investment fund to be managed by the applicant, and any other  
 9 relevant factors. The ~~corporation~~ department may certify only investment fund  
 10 managers that commit to consider placing investments in businesses certified under  
 11 sub. (1).

History: 2003 a. 255; 2005 a. 49, 97; 2007 a. 20, 125; 2009 a. 2, 265, 276; 2011 a. 32 s. 3356; Stats. 2011 s. 238.15; 2011 a. 213.

12 **SECTION 26.** 238.15 (3) of the statutes is renumbered 16.296 (3) and amended  
 13 to read:

14 16.296 (3) ADMINISTRATION. (a) *List of certified businesses and investment fund*  
 15 *managers.* The ~~corporation~~ department shall maintain a list of businesses certified  
 16 under sub. (1) and investment fund managers certified under sub. (2) and shall  
 17 permit public access to the lists through the corporation's Internet Web site.

18 (b) *Notification of department of revenue.* The ~~corporation~~ department shall  
 19 notify the department of revenue of every certification issued under subs. (1) and (2)  
 20 and the date on which any such certification is revoked or expires.

21 (d) *Rules.* The ~~corporation~~ department, in consultation with the department  
 22 of revenue, shall adopt rules to administer this section. The rules shall further define  
 23 "bona fide angel investment" for purposes of s. 71.07 (5d) (a) 1. The rules shall limit  
 24 the aggregate amount of tax credits under s. 71.07 (5d) that may be claimed for

1 investments in businesses certified under sub. (1) at \$3,000,000 per calendar year  
2 for calendar years beginning after December 31, 2004, and before January 1, 2008,  
3 \$5,500,000 per calendar year for calendar years beginning after December 31, 2007,  
4 and before January 1, 2010, \$6,500,000 for calendar year 2010, and \$20,000,000 per  
5 calendar year for calendar years beginning after December 31, 2010, plus, for taxable  
6 years beginning after December 31, 2010, an additional \$250,000 for tax credits that  
7 may be claimed for investments in nanotechnology businesses certified under sub.  
8 (1). The rules shall also limit the aggregate amount of the tax credits under ss. 71.07  
9 (5b), 71.28 (5b), 71.47 (5b), and 76.638 that may be claimed for investments paid to  
10 fund managers certified under sub. (2) at \$3,500,000 per calendar year for calendar  
11 years beginning after December 31, 2004, and before January 1, 2008, \$6,000,000 per  
12 calendar year for calendar years beginning after December 31, 2007, and before  
13 January 1, 2010, \$8,000,000 for calendar year 2010, and \$20,500,000 per calendar  
14 year for calendar years beginning after December 31, 2010, plus, for taxable years  
15 beginning after December 31, 2010, an additional \$250,000 for tax credits that may  
16 be claimed for investments in nanotechnology businesses certified under sub. (1).  
17 The rules shall also provide that, for calendar years beginning after December 31,  
18 2007, a person who receives a credit under ss. 71.07 (5b) and (5d), 71.28 (5b), 71.47  
19 (5b), or 76.638 must keep the investment in a certified business, or with a certified  
20 fund manager, for no less than 3 years, unless the person's investment becomes  
21 worthless, as determined by the ~~corporation~~ department<sup>✓</sup>, during the 3-year period  
22 or the person has kept the investment for no less than 12 months and a bona fide  
23 liquidity event, as determined by the ~~corporation~~ department<sup>✓</sup>, occurs during the  
24 3-year period. The rules shall permit the ~~corporation~~ department<sup>✓</sup> to reallocate

1 credits under this section that are unused in any calendar year to a person eligible  
2 for tax benefits, as defined under s. 238.16 (1) (d), if all of the following apply:

3 1. The ~~corporation~~ department notifies the joint committee on finance in  
4 writing of its proposed reallocation.

5 2. One of the following is true:

6 a. The cochairpersons of the joint committee on finance fail to notify the  
7 ~~corporation~~ department, within 14 working days after the date of the ~~corporation's~~  
8 department's notification under subd. 1., that the committee has scheduled a  
9 meeting for the purpose of reviewing the proposed reallocation.

10 b. The cochairpersons of the joint committee on finance notify the ~~corporation~~  
11 department that the committee has approved the proposed reallocation.

12 (e) *Transfer*. A person who is eligible to claim a credit under s. 71.07 (5b), 71.28  
13 (5b), 71.47 (5b), or 76.638 may sell or otherwise transfer the credit to another person  
14 who is subject to the taxes or fees imposed under s. 71.02, 71.23, 71.47, or subch. III  
15 of ch. 76, if the person receives prior authorization from the investment fund

16 manager and the manager then notifies the ~~corporation~~ department and the  
17 department of revenue of the transfer and submits with the notification a copy of the

18 transfer documents. No person may sell or otherwise transfer a credit as provided <sup>of administr</sup>

19 in this paragraph more than once in a 12-month period. The ~~corporation~~ department

20 may charge any person selling or otherwise transferring a credit under this  
21 paragraph a fee equal to 1 percent of the credit amount sold or transferred.

History: 2003 a. 255; 2005 a. 49, 97; 2007 a. 20, 125; 2009 a. 2, 265, 276; 2011 a. 32 s. 3356; Stats. 2011 s. 238.15; 2011 a. 213.

22 **SECTION 27.** 238.16 (4) (c) of the statutes is amended to read:

23 238.16 (4) (c) Subject to a reallocation by the ~~corporation~~ department of  
24 administration pursuant to rules adopted under s. ~~238.15 (3) (d)~~ 16.296 (3) (d), the

1 corporation may allocate up to \$5,000,000 in tax benefits under this section in any  
2 calendar year, except that beginning on July 1, 2011, the corporation may allocate  
3 up to \$10,000,000 in tax benefits under this section in any calendar year.

4 **History:** 2009 a. 28, 265; 2011 a. 32 ss. 2864, 3357 to 3366; Stats. 2011 s. 238.16; 2011 a. 88.

**SECTION 28.** 238.303 (1) (a) of the statutes is amended to read:

5 238.303 (1) (a) Except as provided in pars. (am) and (b), and subject to a  
6 reallocation by the ~~corporation~~ department of administration pursuant to rules  
7 adopted under s. ~~238.15 (3) (d)~~ 16.296 (3) (d), the total tax benefits available to be  
8 allocated by the corporation under ss. 238.301 to 238.306 may not exceed the sum of  
9 the tax benefits remaining to be allocated under s. 560.71 to 560.785, 2009 stats., s.  
10 560.797, 2009 stats., s. 560.798, 2009 stats., s. 560.7995, 2009 stats., and s. 560.96,  
11 2009 stats., on March 6, 2009, plus \$25,000,000.

**NOTE: NOTE: Section 238.303 (1) (title) was renumbered from s. 560.703 (1) (title) by the legislative reference bureau under s. 13.92 (1) (bm) 2.**

**History:** 2009 a. 2, 265; 2011 a. 4; 2011 a. 32 ss. 3412 to 3415; Stats. 2011 s. 238.303; s. 13.92 (1) (bm) 2.

12 **SECTION 29. Initial applicability.**

13 (1) This act first applies to taxable years beginning on January 1, 2013.