

## Fiscal Estimate - 2013 Session

Original       Updated       Corrected       Supplemental

<b>LRB Number</b> <b>13-2505/1</b>	<b>Introduction Number</b> <b>AB-0338</b>	
<b>Description</b> Allowing refunds for the early stage seed and angel investment tax credits and having the Department of Administration administer the credits and making an appropriation		
<b>Fiscal Effect</b>		
<b>State:</b> <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <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		
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
<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 s. 20.505 (1) (a)		
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
DOA/ Debra G. Miller (608) 266-5877	Jana Steinmetz (608) 266-1359	9/26/2013

## Fiscal Estimate Narratives

DOA 9/26/2013

LRB Number	<b>13-2505/1</b>	Introduction Number	<b>AB-0338</b>	Estimate Type	<b>Original</b>
<b>Description</b> Allowing refunds for the early stage seed and angel investment tax credits and having the Department of Administration administer the credits and making an appropriation					

### Assumptions Used in Arriving at Fiscal Estimate

2013 AB 338 would transfer the early stage seed and angel investment tax credit program from the Wisconsin Economic Development Corporation to the Department of Administration. The legislation also provides that individuals who claim the tax credit may receive a refund in the event that the annual credit exceeds the tax liability of the individual.

The early stage seed and angel investment tax credit program provides for tax credits to claimants for angel investments made directly into certified new businesses and for investments made by certified fund managers into certified businesses. The program provides for \$20,000,000 per calendar year in angel investment tax credits and \$20,500,000 in early stage seed investment tax credits, with an additional \$250,000 per year each for angel and early stage seed investment tax credits that may be claimed for investments in certified nanotechnology businesses. Also, the amount of unused credits in a given year may be utilized in subsequent years. In 2012, this amount was \$35,227,000. 216 businesses have been certified since the 2005 inception of the program, and 50 certified businesses resulted in \$11,170,000 in credits in 2011.

The Department estimates that .5 FTE staff would be needed to administer the program, at an annual cost of \$46,000. The legislation makes no provisions for administrative funding. The administration of the program would include the following:

- certification of businesses for angel investments;
- certification of investment fund managers who commit to consider placing early stage seed investments in certified businesses;
- development and maintenance of administrative rules for the program;
- maintenance of a listing of certified businesses and fund managers;
- notifications to the Department of Revenue regarding certifications;
- reallocation of unused credits and reporting to the Joint Committee on Finance;
- development and maintenance of program materials.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
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<b>LRB Number</b> 13-2505/1		<b>Introduction Number</b> AB-0338	
<b>Description</b> Allowing refunds for the early stage seed and angel investment tax credits and having the Department of Administration administer the credits and making an appropriation			
<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	\$31,000	\$
	(FTE Position Changes)	(0.5 FTE)	
	State Operations - Other Costs	15,000	
	Local Assistance		
	Aids to Individuals or Organizations		
	<b>TOTAL State Costs by Category</b>	<b>\$46,000</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
	GPR	46,000	
	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, ets.)</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>			
		<u>State</u>	<u>Local</u>
	NET CHANGE IN COSTS	\$46,000	\$
	NET CHANGE IN REVENUE	\$	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DOA/ Debra G. Miller (608) 266-5877		Jana Steinmetz (608) 266-1359	9/26/2013