



## WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

**2013 Wisconsin Act 184**  
[2013 Senate Bill 449]

**Authorizing the Transfer of  
Economic Development Tax Credits**

### Wisconsin's Economic Development Tax Credit Program

Under Wisconsin's Economic Development Tax Credit program, the Wisconsin Economic Development Corporation (WEDC) may certify a person to claim tax credits against the person's tax liability if it determines that the person is conducting or will conduct certain eligible activities that will result in economic development in Wisconsin. In general, these eligible activities include: creating and maintaining new full-time jobs; making a significant investment of capital in certain types of property; making investments in the training or reeducation of employees; and relocating, or retaining, a corporate headquarters in Wisconsin.

### 2013 Wisconsin Act 184

Act 184 creates a program under which a person may apply to, and WEDC may approve the transfer of economic development tax credits to another Wisconsin taxpayer. WEDC must submit a report, annually, to the Joint Committee on Finance that provides a detailed assessment of the progress of the economic development transfer program.

Under the Act, economic development tax credits may only be transferred in exchange for some consideration, other than money, in connection with the eligible activity for which the tax credits were initially awarded. The person to whom the tax credits are transferred may carry forward any unused amount of those credits for up to 15 years.

WEDC may approve the transfer of economic development tax credits if the person to whom the tax credits are initially awarded meets at least one of the following conditions, in addition to being authorized by the corporation to claim the tax credits:

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This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.wisconsin.gov>.

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One East Main Street, Suite 401 • P.O. Box 2536 • Madison, WI 53701-2536  
(608) 266-1304 • Fax: (608) 266-3830 • Email: [leg.council@legis.wisconsin.gov](mailto:leg.council@legis.wisconsin.gov)  
<http://www.legis.wisconsin.gov/lc>

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- The person is headquartered in, and employs at least 51% of its employees in, Wisconsin.
- The person intends to relocate its headquarters to, and employ at least 51% of its employees in, Wisconsin.
- The person intends to expand its operations in Wisconsin, and that expansion will increase the number of full-time employees employed by the person in Wisconsin by a number that equals at least 10% of the person's full-time employees in Wisconsin at the time of application.
- The person intends to expand its operations in Wisconsin, and the person will make a significant capital investment in property in Wisconsin as a result of that expansion.

Under the Act, if WEDC revokes certification for economic development tax credits, a person that transfers the tax credits is liable for the full amount. Furthermore, the person to whom the tax credits were transferred may not claim any unused credits.

The Act provides that WEDC may authorize the transfer of up to \$15,000,000 in economic development tax credits over three years. However, if WEDC determines that an extension of the program will support significant economic development in Wisconsin, it may continue the program for up to an additional three years and authorize the transfer of up to an additional \$15,000,000 in economic development tax credits. Any such extension of the program is subject to passive review by the Joint Committee on Finance.

***Effective date and initial applicability:*** Act 184 took effect on April 4, 2014 and first applies to taxable years beginning on January 1, 2014.

***Prepared by:*** Michael Queensland, Staff Attorney

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