

Fiscal Estimate Narratives

WEDC 12/18/2015

LRB Number	15-4042/1	Introduction Number	SB-451	Estimate Type	Original
Description Allowing taxpayers to claim early stage seed investment credits for investments in the fund of funds					

Assumptions Used in Arriving at Fiscal Estimate

WEDCs Early Stage Business Investment Program, also known as the Qualified New Business Venture (QNBV) program, provides tax credits to eligible Angel and Venture Fund investors who make cash equity investments in qualified early-stage businesses. A certified fund manager is eligible for Early Stage Seed tax credits when making investments in QNBV certified companies. An investment fund manager desiring certification for a specific fund shall submit an application to WEDC.

This bill allows a taxpayer to claim an early stage seed investment credit based on the taxpayer's investment through the state's fund of funds investment program in a qualified new business venture for taxable years beginning after December 31, 2015.

Although the bill does not require WEDC to expend existing budget, it could require additional staff resources to run the program if the number of fund managers who apply for certification increases. WEDC would be able to absorb such costs as described in this bill.

Long-Range Fiscal Implications