



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-0169/P3
JK:jld:jf

DOA:.....Pawasarat, BB0015 - Tax-option corporations eligible for angel investment credits

FOR 2011-13 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

Under current law, an investment in a qualified new business venture may be claimed as an angel investment income and franchise tax credit if the investment is made by certain persons, including partnerships and liability companies that are nonoperating entities, as determined by the Department of Commerce (Commerce). This bill clarifies that, under current law, a tax-option corporation that is a nonoperating entity, as determined by Commerce, may also make investments that may be claimed as angel investment credits.

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:

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

71.07 (5d) (a) 2m. "Person" means a partnership or, limited liability company, or tax-option corporation that is a nonoperating entity, as determined by the

department of commerce or the Wisconsin Economic Development Corporation, a natural person, or fiduciary.

SECTION 2. 71.07 (5d) (c) 3m. of the statutes is amended to read:

71.07 **(5d)** (c) 3m. Partnerships ~~and~~, limited liability companies, and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit are based on their payment of amounts under par. (b). A partnership ~~or~~, limited liability company, or tax-option corporation shall compute the amount of credit that each of its partners ~~or~~, members, or shareholders may claim and shall provide that information to each of them. Partners ~~and~~, members of limited liability companies, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interest or as specially allocated in their organizational documents.

(END)