



State of Wisconsin
2015 - 2016 LEGISLATURE

LRB-2543/1
ARG:emw

2015 ASSEMBLY BILL 775

January 22, 2016 - Introduced by Representatives KUGLITSCH, SCHRAA, KAHL, TAUCHEN, R. BROOKS, KULP, CZAJA, HORLACHER, KREMER, BALLWEG, MURTHA, QUINN, E. BROOKS, EDMING, DUCHOW and KNODL, cosponsored by Senator KAPENGA. Referred to Committee on Financial Institutions.

1 **AN ACT to amend** 180.0122 (1) (u), 180.1503 (1) (i), 180.1520 (2) (f) and 180.1622
2 (1) (h); and **to create** 180.0103 (12m) of the statutes; **relating to:** the fees for
3 a foreign corporation's certificate of authority, withdrawal of a certificate of
4 authority, and annual report.

Analysis by the Legislative Reference Bureau

This bill eliminates, for Wisconsin-headquartered foreign corporations meeting certain criteria, the portion of the fee for a certificate of authority to transact business in this state that is based on the amount of the foreign corporation's capital in this state.

Under current law, a foreign corporation may not transact business in this state until it obtains a certificate of authority from the Department of Financial Institutions (DFI). Generally a "foreign corporation" is a for-profit corporation incorporated under the law of another state or country. The fee for an application for a certificate of authority to transact business in this state is \$100, plus \$3 for every \$1,000 of the foreign corporation's capital exceeding \$60,000 employed or to be employed in this state (additional capital-based fee). A foreign corporation authorized to transact business in this state must file with DFI an annual report that includes certain information, including information related to the foreign corporation's capital. The fee for the annual report is \$65 plus, if the annual report shows a deficiency in the foreign corporation's additional capital-based fee that was previously paid, a fee that makes up for this deficiency. A foreign corporation authorized to transact business in this state may not withdraw from this state until

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it obtains a certificate of withdrawal from DFI. The application for a certificate of withdrawal must include certain information, including information related to the foreign corporation's capital. The fee for an application for a certificate of withdrawal is \$40 plus, if the application shows a deficiency in the foreign corporation's additional capital-based fee that was previously paid, a fee that makes up for this deficiency.

This bill eliminates, for a foreign corporation that is a qualified new business venture (described below), the additional capital-based fee for a certificate of authority, along with any fee for an annual report or certificate of withdrawal that makes up for a deficiency in the additional capital-based fee. Therefore, under the bill, the fee for a certificate of authority for such a foreign corporation is always \$100, and the fees for a certificate of withdrawal and an annual report are always, respectively, \$40 and \$65. The bill defines a qualified new business venture as a foreign corporation that is certified by the Wisconsin Economic Development Corporation as meeting certain criteria, including all of the following: 1) it has its headquarters in Wisconsin; 2) it has fewer than 100 employees and at least 51 percent of its employees are employed in Wisconsin; 3) it has been in operation in Wisconsin for no more than ten consecutive years; 4) it has the potential for increasing jobs in Wisconsin or increasing capital investment in Wisconsin, or both, and meets other criteria related to innovation or technology.

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.** 180.0103 (12m) of the statutes is created to read:

2 180.0103 (12m) "Qualified new business venture" means a foreign corporation
3 that is certified under s. 238.15 (1).

4 **SECTION 2.** 180.0122 (1) (u) of the statutes is amended to read:

5 180.0122 (1) (u) Application for certificate of authority, \$100, and, unless the
6 application is made by a qualified new business venture, \$3 for every \$1,000 or
7 fraction thereof of the foreign corporation's capital exceeding \$60,000 employed or
8 to be employed in this state, computed as provided in s. 180.1503, as shown by the
9 application.

10 **SECTION 3.** 180.1503 (1) (i) of the statutes is amended to read:

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1 180.1503 (1) (i) The amount of paid-in capital and the number and value of
2 shares of capital stock issued without par value. The value of capital stock without
3 par value, for the purpose of such statement and for the purpose of computing filing
4 fees if the foreign corporation is not a qualified new business venture, shall be taken
5 as the amount by which the entire property of the foreign corporation exceeds its
6 liabilities other than such capital stock without par value, but each share of the
7 capital stock without par value shall be deemed to be of the value of not less than \$10.

8 **SECTION 4.** 180.1520 (2) (f) of the statutes is amended to read:

9 180.1520 (2) (f) The highest proportion of its capital which is or was
10 represented in this state by its property located and business transacted in this state
11 at any time since its last fee payment on its capital representation. The proportion
12 of capital employed in this state shall be computed as provided under s. 180.1622 (1)
13 (i) except that reference shall be to the current year rather than the preceding one.
14 This paragraph does not apply to a qualified new business venture.

15 **SECTION 5.** 180.1622 (1) (h) of the statutes is amended to read:

16 180.1622 (1) (h) With respect to a foreign corporation, the amount of paid-in
17 capital and the number and value of shares of capital stock issued without par value.
18 The value of capital stock without par value, for the purpose of such statement and
19 for the purpose of computing filing fees if the foreign corporation is not a qualified
20 new business venture, shall be taken as the amount by which the entire property of
21 the foreign corporation exceeds its liabilities other than such capital stock without
22 par value, but each share of capital stock without par value shall be deemed to be of
23 the value of not less than \$10.

24 **SECTION 6. Initial applicability.**

