

2007 DRAFTING REQUEST

Bill

Received: 10/09/2007

Received By: jkreye

Wanted: As time permits

Identical to LRB:

For: Patricia Strachota (608) 264-8486

By/Representing: sara

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Addl. Drafters: csundber

Subject: Tax, Business - credits

Extra Copies:

Submit via email: YES

Requester's email: Rep.Strachota@legis.wisconsin.gov

Carbon copy (CC:) to: joseph.kreye@legis.wisconsin.gov
christopher.sundberg@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Increasing the amount of the early stage seed and angel investment tax credits

Instructions:

See Attached

Drafting History:

| <u>Vers.</u> | <u>Drafted</u> | <u>Reviewed</u> | <u>Typed</u> | <u>Proofed</u> | <u>Submitted</u> | <u>Jacketed</u> | <u>Required</u> |
|--------------|----------------------|---------------------|------------------------|----------------|------------------------|------------------------|-----------------|
| /? | jkreye 10/09/2007 | jdyer 10/09/2007 | | _____ | | | State |
| /1 | | | pgreensl 10/09/2007 | _____ | sbasford 10/10/2007 | sbasford 10/11/2007 | |

FE Sent For:

*at intro
10/29/07*

<END>

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|--------------|----------------|-----------------|---------------|-----------------|------------------|-----------------|-----------------|
| /? | jkreye | 1/10/9 jld | 10/9/07 PS | 10/9/07 self | | | |

FE Sent For:

<END>

Kreye, Joseph

From: Buschman, Sara
Sent: Tuesday, October 09, 2007 10:49 AM
To: Kreye, Joseph
Cc: Nelson, W. Scott - Legislature
Subject: Assembly Companion to LRB 0655/1

Joe,

I need to have an Assembly companion bill drafted to LRB 0655/1 (Sen. Kanavas). If you could let me know what the LRB # will be ahead of time that would be great. I have cc'd Senator Kanavas's office on this in the event you need to contact them for clearance first.

Let me know if you have any questions. Thanks!

Sara

Sara Buschman
Legislative Aide to
State Representative Pat Strachota
58th Assembly District

Toll-Free: 1-888-534-0058
Email: sara.buschman@legis.wi.gov

Kreye, Joseph

From: Nelson, W. Scott - Legislature
Sent: Tuesday, October 09, 2007 10:50 AM
To: Buschman, Sara; Kreye, Joseph
Subject: RE: Assembly Companion to LRB 0655/1

That is fine with us. Thanks, Joe.

W. Scott Nelson

Office of State Senator Ted Kanavas
106 South - State Capitol
Madison, Wisconsin 53707
608-266-9174

From: Buschman, Sara
Sent: Tuesday, October 09, 2007 10:49 AM
To: Kreye, Joseph
Cc: Nelson, W. Scott - Legislature
Subject: Assembly Companion to LRB 0655/1

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Legislative Aide to
State Representative Pat Strachota
58th Assembly District

Toll-Free: 1-888-534-0058
Email: sara.buschman@legis.wi.gov

328/11
stays

2007 BILL

in 10-9-07

done
Wed 10-10

Regen

1 AN ACT to amend 71.07 (5b) (c) 1., 71.07 (5d) (c) 1., 71.28 (5b) (c) 1., 71.47 (5b)
2 (c) 1. and 560.205 (3) (d) of the statutes; relating to: increasing the amount of
3 the early stage seed and angel investment credits.

Analysis by the Legislative Reference Bureau

Under current law, a person may claim an early stage seed investment income and franchise tax credit in an amount equal to 25 percent of the person's initial investment paid to a fund manager that the fund manager invests in a business that is certified by the Department of Commerce (Commerce) to receive such investments. The total amount of all credits that may be claimed in any calendar year is \$3,500,000 and the total amount that may be claimed in all taxable years is \$35,000,000. Under this bill, the total amount of all early stage seed investment credits that may be claimed in any calendar year is \$10,225,000 and the total amount that may be claimed in all taxable years is \$102,250,000.

Under current law, an individual may claim an income tax credit in each taxable year for two years, beginning with the taxable year certified by Commerce, in an amount equal to 12.5 percent of the individual's bona fide angel investment in a new business venture. The total amount of all credits that may be claimed in any calendar year is \$3,000,000 and the total amount that may be claimed in all taxable years is \$30,000,000. Under this bill, the total amount of all bona fide angel investment credits that may be claimed in any calendar year is \$8,775,000 and the total amount that may be claimed in all taxable years is \$87,750,000.

BILL

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.** 71.07 (5b) (c) 1. ^x of the statutes is amended to read:

2 71.07 (5b) (c) 1. The maximum amount of the credits that may be claimed under
3 this subsection and ss. 71.28 (5b) and 71.47 (5b) for all taxable years combined is
4 ~~\$35,000,000~~ \$102,250,000.

5 **SECTION 2.** 71.07 (5d) (c) 1. ^x of the statutes is amended to read:

6 71.07 (5d) (c) 1. The maximum amount of the credits that may be claimed under
7 this subsection for all taxable years combined is ~~\$30,000,000~~ \$87,750,000.

8 **SECTION 3.** 71.28 (5b) (c) 1. ^x of the statutes is amended to read:

9 71.28 (5b) (c) 1. The maximum amount of the credits that may be claimed under
10 this subsection and ss. 71.07 (5b) and 71.47 (5b) for all taxable years combined is
11 ~~\$35,000,000~~ \$102,250,000.

12 **SECTION 4.** 71.47 (5b) (c) 1. ^x of the statutes is amended to read:

13 71.47 (5b) (c) 1. The maximum amount of the credits that may be claimed under
14 this subsection and ss. 71.07 (5b) and 71.28 (5b) for all taxable years combined is
15 ~~\$35,000,000~~ \$102,250,000.

16 **SECTION 5.** 560.205 (3) (d) ^x of the statutes is amended to read:

17 560.205 (3) (d) *Rules.* The department of commerce, in consultation with the
18 department of revenue, shall promulgate rules to administer this section. The rules
19 shall further define "bona fide angel investment" for purposes of s. 71.07 (5d) (a) 1.
20 The rules shall limit the aggregate amount of tax credits under s. 71.07 (5d) that may
21 be claimed for investments in businesses certified under sub. (1) at ~~\$3,000,000~~

Basford, Sarah

From: Buschman, Sara
Sent: Thursday, October 11, 2007 9:11 AM
To: LRB.Legal
Subject: Draft Review: LRB 07-3281/1 Topic: Increasing the amount of the early stage seed and angel investment tax credits

Please Jacket LRB 07-3281/1 for the ASSEMBLY.