



# State of Wisconsin

## LEGISLATIVE REFERENCE BUREAU

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STEPHEN R. MILLER  
CHIEF

August 22, 2007

## MEMORANDUM

**To:** Senator Kanavas

**From:** Joseph T. Kreye, Sr. Legislative Attorney, (608) 266-2263

Christopher Sundberg, Legislative Attorney, (608) 266-9739

**Subject:** Technical Memorandum to **2007 SB 74** (LRB-0080/1) by **COMM**

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We received the attached technical memorandum relating to your bill. This copy is for your information and your file.

If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

**MEMORANDUM**

**DATE:** August 1, 2007

**TO:** Louis Cornelius, Director  
Bureau of Policy and Budget

**FROM:** Julie Keal, Analyst  
Bureau of Policy and Budget

**SUBJECT:** 2007 SB 74 Technical Memo

This bill creates the Eligible Innovation Project tax credit program for tax years beginning after December 31, 2006. Under this program, Commerce will be authorized to certify businesses to claim the credit, which is based on any real property, tangible personal property, or intangible property related to a new product or process that is based on new technology or the creative application of existing technology.

In order to properly administer the program, Commerce will need the following statutory authority:

1. Since the annual amount of tax credits is limited, Commerce will need authority to allocate tax credits to businesses. Without this authority, Commerce will be unable to ensure that the maximum for all businesses is not exceeded. Commerce does have this authority for other tax credit programs.
2. In order for the Department of Revenue to have the information that it needs, Commerce will need to have authority to verify expenditures on which tax credit claims are based. Commerce does have this authority for other tax credit programs.