

Fiscal Estimate - 2007 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 07-3836/1	Introduction Number SB-501
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Description
 The early stage seed and angel investment tax credits, the submission of budget information by the department of commerce, and allocating funding to the technology commercialization grant and loan program

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate

<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Decrease Existing Appropriations	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By DOR/ Michael Oakleaf (608) 261-5173	Authorized Signature Rebecca Boldt (608) 266-6785	Date 4/8/2008
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Fiscal Estimate Narratives

DOR 4/8/2008

LRB Number	07-3836/1	Introduction Number	SB-501	Estimate Type	Original
Description The early stage seed and angel investment tax credits, the submission of budget information by the department of commerce, and allocating funding to the technology commercialization grant and loan program					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, insurers are not eligible to claim the Early Stage Seed Investment Credit. This bill allows insurers to claim the credit against the license fees imposed on insurance companies under Chapter 76.

Under current law, the maximum amount of eligible Angel investments that a business may receive is \$1,000,000. This bill increases the maximum amount of eligible angel investments that a business may receive to \$4,000,000.

Under current law, a claimant may claim the Angel Investment Credit in an amount equal to 12.5% of the claimant's qualified new business venture in each of two consecutive taxable years beginning with the taxable year in which the investment is made. The bill changes this to 25% in the taxable year that the investment is made.

Fiscal effect

The bill makes no changes to either the maximum annual credit amounts (\$5.5 million per year for the Angel Investment Credit, \$6 million per year for the Early Stage Seed Credit) or the maximum credit total aggregate amounts for all fiscal years (\$47.5 million for the Angel Investment Credit, \$52.5 million for the Early Stage Seed Credit) allowable under current law. Therefore, there will be no fiscal effect as there will be no change in the total amounts of credits claimed.

While there is no fiscal effect, the provision to increase the amount of eligible Angel investments that a business may receive could result in distributional changes. Because the amount of eligible investment is fixed as a result of the annual and aggregate caps on the amounts certified by the Department of Commerce, allowing larger investments to individual firms may result in fewer firms receiving funding, although those firms will be able to receive more eligible funding than under current law.

In addition, individual claimants will, under the bill, may claim their total Angel Investment Credits per investment in a single year compared to two years under current law.

Long-Range Fiscal Implications