

Fiscal Estimate Narratives

COMM 11/9/2007

LRB Number	07-3281/1	Introduction Number	AB-0557	Estimate Type	Original
Description Increasing the amount of the early stage seed and angel investment credits					

Assumptions Used in Arriving at Fiscal Estimate

This bill increases the amount of the angel tax credit and the early stage seed investment credit that the Department of Commerce may allocate annually. Under current law, as affected by 2007 Wisconsin Act 20, Commerce may allocate \$5.5 million to investors for the angel credit, and \$6 million to investors for the early stage seed investment credit. Under this bill, those limits will increase to \$8.775 million for the angel credit, and \$10.225 for the early stage seed investment credit.

Commerce will need 1.0 FTE position to address workload issues arising from the increase to the program. Commerce may certify as a new business venture a business which meets statutory requirements concerning size, employment in the state, years of operation, and level of venture investment. To accomplish this, Commerce uses an application process. It publicizes the program, works with businesses to complete the forms, reviews the completed applications and makes recommendations, and notifies businesses of the determination. Investors in businesses receiving this certification may claim an income or franchise tax credit based on the amount of their investment.

The increase to the credit allocation will increase the number of qualified new business ventures (QNBVs) and the number of investors that Commerce must work with. Commerce currently has 80 QNBVs, and expects 100 by the end of the calendar year. 1.0 FTE position will require the following funding.

Salary -- \$43,600

Fringe -- \$19,900

Supplies - \$4,000

TOTAL -- \$67,500

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description Increasing the amount of the early stage seed and angel investment credits			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$63,500		\$
(FTE Position Changes)	(1.0 FTE)		
State Operations - Other Costs	4,000		
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$67,500		\$
B. State Costs by Source of Funds			
GPR	67,500		
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$	\$	
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$	\$	
NET ANNUALIZED FISCAL IMPACT			
	State	Local	
NET CHANGE IN COSTS	\$67,500	\$	
NET CHANGE IN REVENUE	\$	\$	
Agency/Prepared By		Authorized Signature	Date
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