

2009 DRAFTING REQUEST

Bill

Received: 09/02/2008

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:

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

Pre Topic:

No specific pre topic given

Topic:

Increasing the amount of early stage seed and angel investment 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 09/02/2008	jdye 09/03/2008		_____			State
/1			rschluet 09/04/2008	_____	lparisi 09/04/2008	lparisi 02/05/2009	

FE Sent For:

<END>

↳ At Intro.

2009 DRAFTING REQUEST

Bill

Received: 09/02/2008

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:

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

Pre Topic:

No specific pre topic given

Topic:

Increasing the amount of early stage seed and angel investment 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	1 9/3 jld					

<END>

FE Sent For:

0034/1
stays

2009 BILL

2007 ASSEMBLY BILL 557

in 9-2-08
D-N

October 30, 2007 - Introduced by Representatives STRACHOTA, JESKEWITZ, FIELDS, KERKMAN, GUNDERSON, LEMAHIEU, SHILLING, VAN ROY, SHERIDAN, TAUCHEN, SMITH, PRIDEMORE, VOS, ZIPPERER and ALBERS, cosponsored by Senators KANAVAS, DARLING, KEDZIE, ROESSLER, SULLIVAN, OLSEN, LEIBHAM and KAPANKE. Referred to Committee on Jobs and The Economy.

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 ~~\$2,500,000~~ ^{\$6,000,000} 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. ✓

after 2008 ✓

after 2007 ✓

after 2007 ✓

\$5,500,000 ✓

\$47,500,000 ✓

after 2008 ✓

\$52,500,000 ✓

ASSEMBLY BILL 557

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:

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

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

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

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

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

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

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

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

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

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

ASSEMBLY BILL 557

1 ~~\$8,775,000~~ per calendar year for calendar years beginning after December 31, 2004.
 2 The rules shall also limit the aggregate amount of the tax credits under ss. 71.07 (5b),
 3 71.28 (5b), and 71.47 (5b) that may be claimed for investments paid to fund managers
 4 certified under sub. (2) at ~~\$3,500,000~~ \$10,225,000 per calendar year for calendar
 5 years beginning after December 31, 2004.

INSERT
3-5

SECTION 6. Initial applicability.

6
 7 (1) This act first applies to taxable years beginning on January 1 of the year
 8 in which this subsection takes effect, except that if this subsection takes effect after
 9 July 31[✓] this act first applies to taxable years beginning on January 1 of the year
 10 following the year in which this[✓] subsection takes effect.[✓]

(END)

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0034/1dn

JK:.....

date

Jld

Representative Strachota:

This draft is based on 2007 Assembly Bill 557[✓], except that it has been modified to incorporate changes made by 2007 Wisconsin Act 20[✓].

Joseph T. Kreye
Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.wisconsin.gov

2009-2010 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0034/?ins
JK:.....

Insert 3 - 5

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

2 71.07 (5b) (c) 1. Except as provided in s. 73.03 (63), the maximum amount of
3 the credits that may be claimed under this subsection and ss. 71.28 (5b) and 71.47
4 (5b) for all taxable years combined is ~~\$52,500,000~~ \$102,250,000.

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27
ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135,
183, 255, 267, 326; 2005 a. 25, 49, 72, 74, 97, 177, 254, 361, 387, 479, 483, 487; 2007 a. 11, 20, 96, 97, 100; s. 13.92 (2) (i).

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

6 71.07 (5d) (c) 1. Except as provided in s. 73.03 (63), the maximum amount of
7 the credits that may be claimed under this subsection for all taxable years combined
8 is ~~\$47,500,000~~ \$87,750,000.

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27
ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135,
183, 255, 267, 326; 2005 a. 25, 49, 72, 74, 97, 177, 254, 361, 387, 479, 483, 487; 2007 a. 11, 20, 96, 97, 100; s. 13.92 (2) (i).

9 SECTION 3. 71.28 (5b) (c) 1. of the statutes is amended to read:

10 71.28 (5b) (c) 1. Except as provided in s. 73.03 (63), the maximum amount of
11 the credits that may be claimed under this subsection and ss. 71.07 (5b) and 71.47
12 (5b) for all taxable years combined is ~~\$52,500,000~~ \$102,250,000.

History: 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r
to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326; 2005 a. 25, 74, 97, 361, 387, 452, 479, 483, 487;
2007 a. 20, 96, 97, 100; s. 13.92 (2) (i).

13 SECTION 4. 71.47 (5b) (c) 1. of the statutes is amended to read:

14 71.47 (5b) (c) 1. Except as provided in s. 73.03 (63), the maximum amount of
15 the credits that may be claimed under this subsection and ss. 71.07 (5b) and 71.28
16 (5b) for all taxable years combined is ~~\$52,500,000~~ \$102,250,000.

History: 1987 a. 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417;
1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326; 2005 a. 25, 74, 97, 361, 387, 452, 479, 483, 487; 2007 a. 20, 96, 97, 100; s. 13.92 (2) (i).

17 SECTION 5. 560.205 (3) (d) of the statutes is amended to read:

18 560.205 (3) (d) Rules. The department of commerce, in consultation with the
19 department of revenue, shall promulgate rules to administer this section. The rules
20 shall further define "bona fide angel investment" for purposes of s. 71.07 (5d) (a) 1.



1 The rules shall limit the aggregate amount of tax credits under s. 71.07 (5d) that may
2 be claimed for investments in businesses certified under sub. (1) at \$3,000,000 per
3 calendar year for calendar years beginning after December 31, 2004, and [✓]\$5,500,000
4 per calendar year for calendar years beginning after December 31, 2007, and
5 \$8,775,000[✓] per calendar year for calendar years beginning after [✓]December 31, 2008.
6 The rules shall also limit the aggregate amount of the tax credits under ss. 71.07 (5b),
7 71.28 (5b), and 71.47 (5b) that may be claimed for investments paid to fund managers
8 certified under sub. (2) at \$3,500,000 per calendar year for calendar years beginning
9 after December 31, 2004, and [✓]\$6,000,000 per calendar year for calendar years
10 beginning after December 31, 2007,[✓] and \$10,225,000[✓] per calendar year for calendar
11 years beginning after December 31, 2008.[✓] The rules shall also provide that, for
12 calendar years beginning after December 31, 2007, no person may receive a credit
13 under ss. 71.07 (5b) and (5d), 71.28 (5b), or 71.47 (5b) unless the person's investment
14 is kept in a certified business, or with a certified fund manager, for no less than 3
15 years.

History: 2003 a. 255; 2005 a. 49, 97; 2007 a. 20, 125.

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0034/1dn
JK:jld:rs

September 3, 2008

Representative Strachota:

This draft is based on 2007 Assembly Bill 557, except that it has been modified to incorporate changes made by 2007 Wisconsin Act 20.

Joseph T. Kreye
Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.wisconsin.gov

Parisi, Lori

From: Buschman, Sara
Sent: Thursday, February 05, 2009 3:22 PM
To: LRB.Legal
Subject: Draft Review: LRB 09-0034/1 Topic: Increasing the amount of early stage seed and angel investment credits

Please Jacket LRB 09-0034/1 for the ASSEMBLY. If I could get that yet today it would be great. Thanks!