

**2009 DRAFTING REQUEST**

**Senate Amendment (SA-SSA1-SB409)**

Received: **01/11/2010**

Received By: **jkreye**

Wanted: **As time permits**

Identical to LRB:

For: **Julie Lassa (608) 266-3123**

By/Representing: **mark**

This file may be shown to any legislator: **NO**

Drafter: **jkreye**

May Contact:

Addl. Drafters: **csundber**

Subject: **Tax, Business - credits  
Econ. Development - misc.**

Extra Copies:

Submit via email: **YES**

Requester's email: **Sen.Lassa@legis.wisconsin.gov**

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

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**Pre Topic:**

No specific pre topic given

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**Topic:**

Early stage seed investment credit, Jobs tax credit, rural outsourcing grants

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**Instructions:**

See attached

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**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>
/1	jkreye 01/11/2010	kfollett 01/13/2010	rschluet 01/13/2010	_____	mbarman 01/13/2010	mbarman 01/13/2010	
	csundber 01/12/2010	csicilia 01/13/2010		_____			
	csundber 01/13/2010			_____			
/2			rschluet 01/13/2010	_____	lparisi 01/13/2010	lparisi 01/13/2010	

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/4			phenry 01/14/2010	_____ _____	cduerst 01/14/2010	cduerst 01/14/2010	

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/2			rschluet 01/13/2010	_____	lparisi 01/13/2010	lparisi 01/13/2010	

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
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/2			rschluet 01/13/2010 <i>13/10</i>	_____	lparisi 01/13/2010	lparisi 01/13/2010	

Vers.      Drafted      Reviewed      Typed      Proofed      Submitted      Jacketed      Required

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Handwritten notes: 2 q's 1/13, 1/13/10

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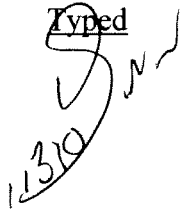
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See attached

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**Drafting History:**

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/1	jkreye	1/15/10 1/13/10		_____ _____			

FE Sent For:

<END>



**Kreye, Joseph**

---

**From:** Knickelbine, Mark  
**Sent:** Monday, January 11, 2010 11:53 AM  
**To:** Kreye, Joseph  
**Subject:** Amendment to SB 409

Joe --

We'd like to have an amendment drafted to SB 409 that would do the following:

1. Establish an early stage seed investment credit of 40%, taken in the year the investment is made, for certified fund managers only, for investments in QNBVs that have raised \$2,000,000 in investment capital or less. Our intent is to provide an incentive for angel groups to make early stage investments, and to incent existing certified fund managers to invest at an earlier stage.
2. Amend the Jobs Tax Credit statutes to indicate that the \$14.5 million cap for January 1, 2010 to June 30 2013 does not apply to any angel or early stage seed credits transferred to the the Jobs Tax Credit by Commerce.
3. Change the funding source for the Rural Outsourcing Grants from program revenue to GPR.

Let me know what questions you have. Thanks!

Mark Knickelbine  
Clerk of the Committee on Economic Development  
Office of State Senator Lassa  
State Capitol, Room 323 - South  
P.O. Box 7882  
Madison, WI 53707-7882  
608-266-3123  
1-800-925-7491 toll-free  
608-267-6797

## Kreye, Joseph

---

**From:** Knickelbine, Mark  
**Sent:** Tuesday, January 12, 2010 11:48 AM  
**To:** Kreye, Joseph; Sundberg, Christopher  
**Cc:** Stephens, Liz  
**Subject:** Simple Amendment to Sub 1 to SB 409

Chris and Joe:

Here's more information, changes and additions to my instructions of yesterday (which are attached below):

We do want this all in one simple amendment to the sub to SB 409. We want to introduce this at Joint Finance Thursday.

Point 1: Make this increased credit available for tax years 2010 through 2013, after which it sunsets.

Point 3: Delete the instruction to change the funding source for the Rural Outsourcing Grants.

**NEW INSTRUCTION:** Indicate that if the full amount of the Rural Outsourcing allocation has not been applied for within 12 months of Commerce issuing rules for application, up to \$250,000 of the funding may be lapsed into the Wisconsin Development Fund for other uses.

**NEW INSTRUCTION:** Provide \$75,000 annual funding for the Commerce position of Small Business Ombudsman, and increase the relevant appropriation line accordingly from GPR.

Let me know what questions you may have!

Mark Knickelbine  
Clerk of the Committee on Economic Development  
Office of State Senator Lassa  
State Capitol, Room 323 - South  
P.O. Box 7882  
Madison, WI 53707-7882  
608-266-3123  
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**From:** Knickelbine, Mark  
**Sent:** Monday, January 11, 2010 11:53 AM  
**To:** Kreye, Joseph  
**Subject:** Amendment to SB 409

Joe --

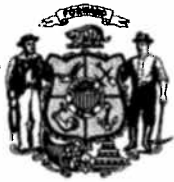
We'd like to have an amendment drafted to SB 409 that would do the following:

1. Establish an early stage seed investment credit of 40%, taken in the year the investment is made, for certified fund managers only, for investments in QNEVs that have raised \$2,000,000 in investment capital or less. Our intent is to provide an incentive for angel groups to make early stage investments, and to incent existing certified fund managers to invest at an earlier stage.
2. Amend the Jobs Tax Credit statutes to indicate that the \$14.5 million cap for January 1, 2010 to June 30 2013 does not apply to any angel or early stage seed credits transferred to the the Jobs Tax Credit by Commerce.
3. Change the funding source for the Rural Outsourcing Grants from program revenue to GPR.

Let me know what questions you have. Thanks!

Mark Knickelbine  
Clerk of the Committee on Economic Development

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**SENATE AMENDMENT ,  
TO SENATE SUBSTITUTE AMENDMENT 1,  
TO 2009 SENATE BILL 409**

INS  
1-3

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 1, line 12: after "credits;" insert "modifying the early stage seed and

3 jobs tax credits;"

4 **2.** Page 9, line 4: after that line insert:

5 "SECTION 23d. 71.07 (3q) (c) 3. of the statutes, as created by 2009 Wisconsin Act

6 28, is amended to read:

7 71.07 (3q) (c) 3. The maximum amount of credits that may be awarded under

8 this subsection and ss. 71.28 (3q) and 71.47 (3q) for the period beginning on January

9 1, 2010, and ending on June 30, 2013, is \$14,500,000, not including the amount of

10 any credits reallocated under s. 560.205 (3) (d).

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; 2009 a. 2, 11, 28; s. 13.92 (2) (i).

11 **SECTION 23g.** 71.07 (5b) (b) 1. of the statutes is amended to read:

*for taxable years beginning after December 31, 2009, and before January 1, 2014.*

1           71.07 (5b) (b) 1. For taxable years beginning after December 31, 2004, subject  
 2 to the limitations provided under this subsection and s. 560.205, and except as  
 3 provided in subd. 2., a claimant may claim as a credit against the tax imposed under  
 4 ss. 71.02 and 71.08, up to the amount of those taxes, 25 percent of the claimant's  
 5 investment paid to a fund manager that the fund manager invests in a business  
 6 certified under s. 560.205 (1), except that a claimant may claim 40 percent of the  
 7 claimant's investment paid to a fund manager that the fund manager invests in a  
 8 business certified under s. 560.205 (1), if the business has received no more than  
 9 \$2,000,000 in investments that have qualified for credits under this subsection.  
 10 71.28 (5b) or s. 71.47 (5b).

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; 2009 a. 2, 11, 28; s. 13.92 (2) (i).

**SECTION 23h.** 71.07 (5b) (b) 2. of the statutes is amended to read:

12           71.07 (5b) (b) 2. In the case of a partnership, limited liability company, or  
 13 tax-option corporation, the computation of the 25 or 40 percent limitation under  
 14 subd. 1. shall be determined at the entity level rather than the claimant level and  
 15 may be allocated among the claimants who make investments in the manner set  
 16 forth in the entity's organizational documents. The entity shall provide to the  
 17 department of revenue and to the department of commerce the names and tax  
 18 identification numbers of the claimants, the amounts of the credits allocated to the  
 19 claimants, and the computation of the allocations.”.

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; 2009 a. 2, 11, 28; s. 13.92 (2) (i).

**3.** Page 12, line 16: after that line insert:

21           “SECTION 28d. 71.28 (3q) (c) 3. of the statutes, as created by 2009 Wisconsin Act  
 22 28, is amended to read:

1 71.28 (3q) (c) 3. The maximum amount of credits that may be awarded under  
 2 this subsection and ss. 71.07 (3q) and 71.47 (3q) for the period beginning on January  
 3 1, 2010, and ending on June 30, 2013, is \$14,500,000, not including the amount of  
 4 any credits reallocated under s. 560.205 (3) (d).

**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; 2009 a. 2, 11, 28; s. 13.92 (2) (i).

5 **SECTION 28g.** 71.28 (5b) (b) 1. of the statutes is amended to read:

6 71.28 (5b) (b) 1. For taxable years beginning after December 31, 2004, subject  
 7 to the limitations provided under this subsection and s. 560.205, and except as  
 8 provided in subd. 2., a claimant may claim as a credit against the tax imposed under  
 9 s. 71.23, up to the amount of those taxes, 25 percent of the claimant's investment paid  
 10 to a fund manager that the fund manager invests in a business certified under s.  
 11 560.205 (1), except that a claimant may claim 40 percent of the claimant's investment  
 12 paid to a fund manager that the fund manager invests in a business certified under  
 13 s. 560.205 (1), if the business has received no more than \$2,000,000 in investments  
 14 that have qualified for credits under this subsection (s. 71.07 (5b) or s. 71.47 (5b)).

**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; 2009 a. 2, 11, 28; s. 13.92 (2) (i).

15 **SECTION 28h.** 71.28 (5b) (b) 2. of the statutes is amended to read:

16 71.28 (5b) (b) 2. In the case of a partnership, limited liability company, or  
 17 tax-option corporation, the computation of the <sup>25 ← plain</sup> or 40 percent limitation under subd.  
 18 1. shall be determined at the entity level rather than the claimant level and may be  
 19 allocated among the claimants who make investments in the manner set forth in the  
 20 entity's organizational documents. The entity shall provide to the department of  
 21 revenue and to the department of commerce the names and tax identification

*for taxable years beginning after  
 December 31, 2009, and before January 1, 2014*

1 numbers of the claimants, the amounts of the credits allocated to the claimants, and  
2 the computation of the allocations.”.

**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. 339r to 340c, 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; 2009 a. 2, 11, 28; s. 13.92 (2) (i).

3 **4.** Page 15, line 21: after that line insert:

4 “SECTION 32d. 71.47 (3q) (c) 3. of the statutes, as created by 2009 Wisconsin Act  
5 28, is amended to read:

6 71.47 (3q) (c) 3. The maximum amount of credits that may be awarded under  
7 this subsection and ss. 71.07 (3q) and 71.28 (3q) for the period beginning on January  
8 1, 2010, and ending on June 30, 2013, is \$14,500,000, not including the amount of  
9 any credits reallocated under s. 560.205 (3) (d).

**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; 2009 a. 2, 11, 28; s. 13.92 (2) (i).

10 SECTION 32g. 71.47 (5b) (b) 1. of the statutes is amended to read:

11 71.47 (5b) (b) 1. For taxable years beginning after December 31, 2004, subject  
12 to the limitations provided under this subsection and s. 560.205, and except as  
13 provided in subd. 2., a claimant may claim as a credit against the tax imposed under  
14 s. 71.43, up to the amount of those taxes, 25 percent of the claimant’s investment paid  
15 to a fund manager that the fund manager invests in a business certified under s.

16 560.205 (1), except that a claimant may claim 40 percent of the claimant’s investment  
17 paid to a fund manager that the fund manager invests in a business certified under  
18 s. 560.205 (1), if the business has received no more than \$2,000,000 in investments  
19 that have qualified for credits under this subsection, s. 71.07 (5b) or s. 71.28 (5b).

**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; 2009 a. 2, 11, 28; s. 13.92 (2) (i).

20 SECTION 32h. 71.47 (5b) (b) 2. of the statutes is amended to read:

21 71.47 (5b) (b) 2. In the case of a partnership, limited liability company, or  
22 tax-option corporation, the computation of the 25 or 40 percent limitation under

*for taxable years beginning after December 31, 2009, and before January 1, 2014,*

1 subd. 1. shall be determined at the entity level rather than the claimant level and  
 2 may be allocated among the claimants who make investments in the manner set  
 3 forth in the entity's organizational documents. The entity shall provide to the  
 4 department of revenue and to the department of commerce the names and tax  
 5 identification numbers of the claimants, the amounts of the credits allocated to the  
 6 claimants, and the computation of the allocations.”

**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. 21, 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; 2009 a. 2, 11, 28; s. 13.92 (2) (i).

7

(END)

A handwritten rectangular box containing the text "INS" on the top line and "5-6" on the bottom line. A curved arrow originates from the left side of the box and points towards the left margin of the page, specifically towards the number "7".



and to make expenditures authorized under 2009 Wisconsin Act, ... (this act), section 45 (1)(c).

1 **Insert 1-3:**

2 **1.** Page 2, line 11: after that line insert:

3 **“20.143 Commerce, department of**

4 (1) ECONOMIC AND COMMUNITY DEVELOPMENT

5 (cp) Rural outsourcing grants GPR B 250,000 250,000”.

6 **2.** Page 3, line 10: after that line insert:

7 **“SECTION 2g.** 20.143 (1) (cp) of the statutes is created to read:

8 20.143 (1) (cp) *Rural outsourcing grants*. Biennially, the amounts in the  
9 schedule for rural outsourcing grants under 2009 Wisconsin Act .... (this act), section  
10 45 (1).

as created by 2009 Wisconsin Act ... (this act),

11 **SECTION 2r.** 20.143 (1) (cp) of the statutes is repealed.”.

12 **Insert 5-6:**

13 **3.** Page 23, line 16: delete the material beginning with that line and ending

14 with page 24, line 7, and substitute:

15 **“(1) RURAL OUTSOURCING GRANTS.**

16 (a) From the appropriations under section 20.143 (1) (cp), (ie), (ig), (im), and (ir)

17 of the statutes, as affected by this act, the department of commerce may award grants

18 during the 2009-11 fiscal biennium to businesses for outsourcing work to rural

19 municipalities, as defined under section 560.17 (1) (d) of the statutes. The

20 department may award a grant from the appropriation under section 20.143 (1) (cp)

21 only to the extent the unencumbered balances of the appropriations under section

22 20.143 (1) (cp), (ie), (ig), (im), and (ir) of the statutes, as affected by this act, are

of the statute as created by this act,

1 insufficient to award the grant. The department shall require grantees to obtain  
 2 funding from sources other than the state in an amount at least equal to the amount  
 3 of the grant. In determining whether a grantee has obtained sufficient funding from  
 4 sources other than the state, the department shall credit the grantee's capital  
 5 expenditures, family supporting wages, rent or other facility costs, electricity costs,  
 6 equipment leases, and software expenditures. The total amount of grants awarded  
 7 under this subsection may not exceed \$500,000.

8 (b) Not more than 45 days after the effective date of this paragraph, the  
 9 department of commerce shall promulgate, as emergency rules under section 227.24  
 10 of the statutes, rules necessary to administer this subsection. Notwithstanding  
 11 section 227.24 (1) (a) and (3) of the statutes, the department is not required to provide  
 12 evidence that promulgating a rule under this subsection as an emergency rule is  
 13 necessary for the preservation of public peace, health, safety, or welfare and is not  
 14 required to provide a finding of emergency for a rule promulgated under this  
 15 subsection.

16 (c) Notwithstanding paragraph (a) and section 20.143 (1) (cp) of the statutes,  
 17 as created by this act, if, by the first day of the 12th month beginning after the  
 18 effective date of the rules promulgated under paragraph (b), the department of  
 19 commerce has not received applications for grants under this subsection totaling  
 20 \$500,000, the department may spend an amount equal to the difference between the  
 21 unencumbered balance of the appropriation account under section 20.143 (1) (cp) of the  
 22 and the total amount of grants under this subsection for which it has received  
 23 applications or \$250,000, whichever is less, from the appropriation under section  
 24 20.143 (1) (cp) of the statutes, as created by this act, for any purpose specified under  
 25 section 20.143 (1) (c) of the statutes, as affected by this act."

of the statute as created by this act,

no change

1 4. Page 26, line 18: delete the material beginning with that line and ending

2 with page 27, line 2

→ insert 27-23

3 5. Page 28, line 2: after that line insert:

“(2)<sup>m</sup> RURAL OUTSOURCING GRANTS. The repeal of section 20.143 (1) (c) of the

statutes takes effect on June 30, 2011.”

Handwritten notes and signatures on the left margin, including a circled '4' and the name 'Franken'.

**2009-2010 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRBa1268/1inskjf

JK&CTS:.....

**INSERT 27-23**

✓

- 1           **1.** Page 27, line 23: delete that line and substitute:
- 2           “**SECTION 48m. Effective dates.** This act takes effect on the day after
- 3           publication, except as follows:”.

## Sundberg, Christopher

---

**From:** Knickelbine, Mark  
**Sent:** Wednesday, January 13, 2010 12:25 PM  
**To:** Sundberg, Christopher  
**Subject:** RE: S1268/1 Fix

Correct

---

**From:** Sundberg, Christopher  
**Sent:** Wednesday, January 13, 2010 12:18 PM  
**To:** Knickelbine, Mark  
**Subject:** RE: S1268/1 Fix

So:

In the schedule under section 20.005 (3) of the statutes for the appropriation to the department of commerce under section 20.143 (1) (a) of the statutes, as affected by the acts of 2009, the dollar amount is increased by \$75,000 for the second fiscal year of the fiscal biennium in which this subsection takes effect to provide supplemental funding so that a previously-authorized 1.0 FTE GPR position as small business ombudsman is funded for a full year.

Right?

---

**From:** Knickelbine, Mark  
**Sent:** Wednesday, January 13, 2010 12:11 PM  
**To:** Sundberg, Christopher  
**Subject:** RE: S1268/1 Fix

The idea is to fund an existing position at Commerce, the Small Business Ombudsman, which is different from the Regulatory Ombudsman position in the bill.

---

**From:** Sundberg, Christopher  
**Sent:** Wednesday, January 13, 2010 11:45 AM  
**To:** Knickelbine, Mark  
**Subject:** RE: S1268/1 Fix

The sub (page 27, line 9) provides \$75,000 in year 2 to fund one position at the ombudsman center. Do you want the amendment to provide an additional \$75,000 in year 1, or what?

---

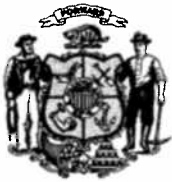
**From:** Knickelbine, Mark  
**Sent:** Wednesday, January 13, 2010 11:04 AM  
**To:** Sundberg, Christopher  
**Subject:** S1268/1 Fix

Chris --

This draft appears to be missing the \$75,000 for the Small Business Ombudsman in Commerce (in my instructions yesterday morning.) Otherwise it looks good.

Mark Knickelbine  
Clerk of the Committee on Economic Development  
Office of State Senator Lassa  
State Capitol, Room 323 - South  
P.O. Box 7882  
Madison, WI 53707-7882  
608-266-3123  
1-800-925-7491 toll-free  
608-267-6797





2  
LRBa1268/1  
JK&CTS:kjfrs PMNR  
stays  
&cjs

**SENATE AMENDMENT ,  
TO SENATE SUBSTITUTE AMENDMENT 1,  
TO 2009 SENATE BILL 409**

*[Handwritten signature]*

1 At the locations indicated, amend the substitute amendment as follows:  
2 **1.** Page 1, line 12: after "credits;" insert "modifying the early stage seed and  
3 jobs tax credits;".  
4 **2.** Page 2, line 11: after that line insert:  
5 **"20.143 Commerce, department of**  
6 (1) ECONOMIC AND COMMUNITY DEVELOPMENT  
7 (cp) Rural outsourcing grants GPR B 250,000 250,000".  
8 **3.** Page 3, line 10: after that line insert:  
9 **"SECTION 2g.** 20.143 (1) (cp) of the statutes is created to read:  
10 20.143 (1) (cp) *Rural outsourcing grants.* Biennially, the amounts in the  
11 schedule for rural outsourcing grants under 2009 Wisconsin Act .... (this act), section

1 45 (1) and to make expenditures authorized under 2009 Wisconsin Act .... (this act),  
2 section 45 (1) (c).

3 **SECTION 2r.** 20.143 (1) (cp) of the statutes, as created by 2009 Wisconsin Act  
4 .... (this act), is repealed.”

5 **4.** Page 9, line 4: after that line insert:

6 “**SECTION 23d.** 71.07 (3q) (c) 3. of the statutes, as created by 2009 Wisconsin Act  
7 28, is amended to read:

8 71.07 (3q) (c) 3. The maximum amount of credits that may be awarded under  
9 this subsection and ss. 71.28 (3q) and 71.47 (3q) for the period beginning on January  
10 1, 2010, and ending on June 30, 2013, is \$14,500,000, not including the amount of  
11 any credits reallocated under s. 560.205 (3) (d).

12 **SECTION 23g.** 71.07 (5b) (b) 1. of the statutes is amended to read:

13 71.07 (5b) (b) 1. For taxable years beginning after December 31, 2004, subject  
14 to the limitations provided under this subsection and s. 560.205, and except as  
15 provided in subd. 2., a claimant may claim as a credit against the tax imposed under  
16 ss. 71.02 and 71.08, up to the amount of those taxes, 25 percent of the claimant’s  
17 investment paid to a fund manager that the fund manager invests in a business  
18 certified under s. 560.205 (1), except that, for taxable years beginning after  
19 December 31, 2009, and before January 1, 2014, a claimant may claim 40 percent of  
20 the claimant’s investment paid to a fund manager that the fund manager invests in  
21 a business certified under s. 560.205 (1), if the business has received no more than  
22 \$2,000,000 in investments that have qualified for credits under this subsection or s.  
23 71.28 (5b) or 71.47 (5b).

24 **SECTION 23h.** 71.07 (5b) (b) 2. of the statutes is amended to read:



1           71.07 **(5b)** (b) 2. In the case of a partnership, limited liability company, or  
2 tax-option corporation, the computation of the 25 or 40 percent limitation under  
3 subd. 1. shall be determined at the entity level rather than the claimant level and  
4 may be allocated among the claimants who make investments in the manner set  
5 forth in the entity's organizational documents. The entity shall provide to the  
6 department of revenue and to the department of commerce the names and tax  
7 identification numbers of the claimants, the amounts of the credits allocated to the  
8 claimants, and the computation of the allocations.”.

9           **5.** Page 12, line 16: after that line insert:

10           “**SECTION 28d.** 71.28 (3q) (c) 3. of the statutes, as created by 2009 Wisconsin Act  
11 28, is amended to read:

12           71.28 **(3q)** (c) 3. The maximum amount of credits that may be awarded under  
13 this subsection and ss. 71.07 (3q) and 71.47 (3q) for the period beginning on January  
14 1, 2010, and ending on June 30, 2013, is \$14,500,000, not including the amount of  
15 any credits reallocated under s. 560.205 (3) (d).

16           **SECTION 28g.** 71.28 (5b) (b) 1. of the statutes is amended to read:

17           71.28 **(5b)** (b) 1. For taxable years beginning after December 31, 2004, subject  
18 to the limitations provided under this subsection and s. 560.205, and except as  
19 provided in subd. 2., a claimant may claim as a credit against the tax imposed under  
20 s. 71.23, up to the amount of those taxes, 25 percent of the claimant's investment paid  
21 to a fund manager that the fund manager invests in a business certified under s.  
22 560.205 (1), except that, for taxable years beginning after December 31, 2009, and  
23 before January 1, 2014, a claimant may claim 40 percent of the claimant's investment  
24 paid to a fund manager that the fund manager invests in a business certified under

1 s. 560.205 (1), if the business has received no more than \$2,000,000 in investments  
2 that have qualified for credits under this subsection or s. 71.07 (5b) or 71.47 (5b).

3 **SECTION 28h.** 71.28 (5b) (b) 2. of the statutes is amended to read:

4 71.28 **(5b)** (b) 2. In the case of a partnership, limited liability company, or  
5 tax-option corporation, the computation of the 25 or 40 percent limitation under  
6 subd. 1. shall be determined at the entity level rather than the claimant level and  
7 may be allocated among the claimants who make investments in the manner set  
8 forth in the entity's organizational documents. The entity shall provide to the  
9 department of revenue and to the department of commerce the names and tax  
10 identification numbers of the claimants, the amounts of the credits allocated to the  
11 claimants, and the computation of the allocations.”.

12 **6.** Page 15, line 21: after that line insert:

13 “**SECTION 32d.** 71.47 (3q) (c) 3. of the statutes, as created by 2009 Wisconsin Act  
14 28, is amended to read:

15 71.47 **(3q)** (c) 3. The maximum amount of credits that may be awarded under  
16 this subsection and ss. 71.07 (3q) and 71.28 (3q) for the period beginning on January  
17 1, 2010, and ending on June 30, 2013, is \$14,500,000, not including the amount of  
18 any credits reallocated under s. 560.205 (3) (d).

19 **SECTION 32g.** 71.47 (5b) (b) 1. of the statutes is amended to read:

20 71.47 **(5b)** (b) 1. For taxable years beginning after December 31, 2004, subject  
21 to the limitations provided under this subsection and s. 560.205, and except as  
22 provided in subd. 2., a claimant may claim as a credit against the tax imposed under  
23 s. 71.43, up to the amount of those taxes, 25 percent of the claimant's investment paid  
24 to a fund manager that the fund manager invests in a business certified under s.

1 560.205 (1), except that, for taxable years beginning after December 31, 2009, and  
2 before January 1, 2014, a claimant may claim 40 percent of the claimant's investment  
3 paid to a fund manager that the fund manager invests in a business certified under  
4 s. 560.205 (1), if the business has received no more than \$2,000,000 in investments  
5 that have qualified for credits under this subsection or s. 71.07 (5b) or 71.28 (5b).

6 **SECTION 32h.** 71.47 (5b) (b) 2. of the statutes is amended to read:

7 71.47 (5b) (b) 2. In the case of a partnership, limited liability company, or  
8 tax-option corporation, the computation of the 25 or 40 percent limitation under  
9 subd. 1. shall be determined at the entity level rather than the claimant level and  
10 may be allocated among the claimants who make investments in the manner set  
11 forth in the entity's organizational documents. The entity shall provide to the  
12 department of revenue and to the department of commerce the names and tax  
13 identification numbers of the claimants, the amounts of the credits allocated to the  
14 claimants, and the computation of the allocations.”.

15 **7.** Page 23, line 16: delete the material beginning with that line and ending  
16 with page 24, line 7, and substitute:

17 “(1) RURAL OUTSOURCING GRANTS.

18 (a) From the appropriations under section 20.143 (1) (cp), (ie), (ig), (im), and (ir)  
19 of the statutes, as affected by this act, the department of commerce may award grants  
20 during the 2009-11 fiscal biennium to businesses for outsourcing work to rural  
21 municipalities, as defined under section 560.17 (1) (d) of the statutes. The  
22 department may award a grant from the appropriation under section 20.143 (1) (cp)  
23 of the statutes, as created by this act, only to the extent the unencumbered balances  
24 of the appropriations under section 20.143 (1) (ie), (ig), (im), and (ir) of the statutes,

1 as affected by this act, are insufficient to award the grant. The department shall  
2 require grantees to obtain funding from sources other than the state in an amount  
3 at least equal to the amount of the grant. In determining whether a grantee has  
4 obtained sufficient funding from sources other than the state, the department shall  
5 credit the grantee's capital expenditures, family supporting wages, rent or other  
6 facility costs, electricity costs, equipment leases, and software expenditures. The  
7 total amount of grants awarded under this subsection may not exceed \$500,000.

8 (b) Not more than 45 days after the effective date of this paragraph, the  
9 department of commerce shall promulgate, as emergency rules under section 227.24  
10 of the statutes, rules necessary to administer this subsection. Notwithstanding  
11 section 227.24 (1) (a) and (3) of the statutes, the department is not required to provide  
12 evidence that promulgating a rule under this subsection as an emergency rule is  
13 necessary for the preservation of public peace, health, safety, or welfare and is not  
14 required to provide a finding of emergency for a rule promulgated under this  
15 subsection.

16 (c) Notwithstanding paragraph (a) if, by the first day of the 12th month  
17 beginning after the effective date of the rules promulgated under paragraph (b), the  
18 department of commerce has not received applications for grants under this  
19 subsection totaling \$500,000, the department may spend an amount equal to the  
20 difference between the unencumbered balance of the appropriation account under  
21 section 20.143 (1) (cp) of the statutes, as created by this act, and the total amount of  
22 grants under this subsection for which it has received applications or \$250,000,  
23 whichever is less, from the appropriation under section 20.143 (1) (cp) of the statutes,  
24 as created by this act, for any purpose specified under section 20.143 (1) (c) of the  
25 statutes, as affected by this act.”



2009-2010 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRBa1268/2ins  
CTS:.....

INSERT:

1  
2  
3  
4  
5  
6  
7  
8

“(6) SMALL BUSINESS OMBUDSMAN FUNDING. In the schedule under section 20.005 (3) of the statutes for the appropriation to the department of commerce under section 20.143 (1) (a) of the statutes, as affected by the acts of 2009, the dollar amount is increased by \$75,000 for the second fiscal year of the fiscal biennium in which this subsection takes effect to provide supplemental funding so that a previously-authorized 1.0 FTE GPR position ~~is~~ small business ombudsman is funded for a full year.”

Not Stat Fiscal Change

## Kreye, Joseph

---

**From:** Knickelbine, Mark  
**Sent:** Wednesday, January 13, 2010 2:32 PM  
**To:** Kreye, Joseph  
**Subject:** RE: Need adjustment on a1268

Joe --

Yes, \$2m.

It would be \$500,000 per investor (practically, per fund manager).

Mark

---

**From:** Kreye, Joseph  
**Sent:** Wednesday, January 13, 2010 2:22 PM  
**To:** Knickelbine, Mark; Sundberg, Christopher  
**Subject:** RE: Need adjustment on a1268

Mark,

Go ahead and send the jacket back and we'll do a slash-three.

The amendment currently allows the 40 percent credit, if the business has received no more than \$2,000,000 in investments. Should the \$200,000 in your e-mail be \$2,000,000?

Is the \$500,000 limitation for all investments in such a business or is it \$500,000 per investor?

Joe

**Joseph T. Kreye**  
Senior Legislative Attorney  
Legislative Reference Bureau  
(608) 266-2263

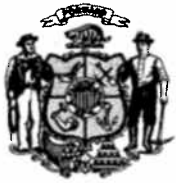
---

**From:** Knickelbine, Mark  
**Sent:** Wednesday, January 13, 2010 2:09 PM  
**To:** Sundberg, Christopher; Kreye, Joseph  
**Subject:** Need adjustment on a1268  
**Importance:** High

Sorry, guys, The Powers have decreed an additional (small) change to the amendment. Our new 40% credit in the Early Stage Seed program should be limited to the first \$500,000 that certified fund managers invest in companies that have not raised more than \$200,000. Let me know if you have questions.

Should I send the jacket back down for the slash-three?

Mark Knickelbine  
Clerk of the Committee on Economic Development  
Office of State Senator Lassa  
State Capitol, Room 323 - South  
P.O. Box 7882  
Madison, WI 53707-7882  
608-266-3123  
1-800-925-7491 toll-free  
608-267-6797



State of Wisconsin  
2009 - 2010 LEGISLATURE

LRBa1268/2  
JK&CTS:kjf&cjs/rs  
Stays RMR 3

**SENATE AMENDMENT ,  
TO SENATE SUBSTITUTE AMENDMENT 1,  
TO 2009 SENATE BILL 409**

in H-13-10  
Today

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 1, line 12: after "credits;" insert "modifying the early stage seed and  
3 jobs tax credits;"

4 **2.** Page 2, line 11: after that line insert:

5 **"20.143 Commerce, department of**

6 (1) ECONOMIC AND COMMUNITY DEVELOPMENT

7 (cp) Rural outsourcing grants GPR B 250,000 250,000".

8 **3.** Page 3, line 10: after that line insert:

9 **"SECTION 2g.** 20.143 (1) (cp) of the statutes is created to read:

10 20.143 (1) (cp) *Rural outsourcing grants.* Biennially, the amounts in the  
11 schedule for rural outsourcing grants under 2009 Wisconsin Act .... (this act), section



1 45 (1) and to make expenditures authorized under 2009 Wisconsin Act .... (this act),  
2 section 45 (1) (c).

3 **SECTION 2r.** 20.143 (1) (cp) of the statutes, as created by 2009 Wisconsin Act  
4 .... (this act), is repealed.”.

5 **4.** Page 9, line 4: after that line insert:

6 “**SECTION 23d.** 71.07 (3q) (c) 3. of the statutes, as created by 2009 Wisconsin Act  
7 28, is amended to read:

8 71.07 (3q) (c) 3. The maximum amount of credits that may be awarded under  
9 this subsection and ss. 71.28 (3q) and 71.47 (3q) for the period beginning on January  
10 1, 2010, and ending on June 30, 2013, is \$14,500,000, not including the amount of  
11 any credits reallocated under s. 560.205 (3) (d).

12 **SECTION 23g.** 71.07 (5b) (b) 1. of the statutes is amended to read:

13 71.07 (5b) (b) 1. For taxable years beginning after December 31, 2004, subject  
14 to the limitations provided under this subsection and s. 560.205, and except as  
15 provided in subd. 2., a claimant may claim as a credit against the tax imposed under  
16 ss. 71.02 and 71.08, up to the amount of those taxes, 25 percent of the claimant’s  
17 investment paid to a fund manager that the fund manager invests in a business  
18 certified under s. 560.205 (1), except that, for taxable years beginning after  
19 December 31, 2009, and before January 1, 2014, a claimant may claim 40 percent of  
20 the claimant’s investment paid to a fund manager that the fund manager invests in  
21 a business certified under s. 560.205 (1), if the business has received no more than  
22 \$2,000,000 in investments that have qualified for credits under this subsection or s.  
23 71.28 (5b) or 71.47 (5b).

24 **SECTION 23h.** 71.07 (5b) (b) 2. of the statutes is amended to read:

the fund manager has invested no more  
than \$500,000 in the business and

1           71.07 (5b) (b) 2. In the case of a partnership, limited liability company, or  
2 tax-option corporation, the computation of the 25 or 40 percent limitation under  
3 subd. 1. shall be determined at the entity level rather than the claimant level and  
4 may be allocated among the claimants who make investments in the manner set  
5 forth in the entity's organizational documents. The entity shall provide to the  
6 department of revenue and to the department of commerce the names and tax  
7 identification numbers of the claimants, the amounts of the credits allocated to the  
8 claimants, and the computation of the allocations.”.

9           **5.** Page 12, line 16: after that line insert:

10           “**SECTION 28d.** 71.28 (3q) (c) 3. of the statutes, as created by 2009 Wisconsin Act  
11 28, is amended to read:

12           71.28 (3q) (c) 3. The maximum amount of credits that may be awarded under  
13 this subsection and ss. 71.07 (3q) and 71.47 (3q) for the period beginning on January  
14 1, 2010, and ending on June 30, 2013, is \$14,500,000, not including the amount of  
15 any credits reallocated under s. 560.205 (3) (d).

16           **SECTION 28g.** 71.28 (5b) (b) 1. of the statutes is amended to read:

17           71.28 (5b) (b) 1. For taxable years beginning after December 31, 2004, subject  
18 to the limitations provided under this subsection and s. 560.205, and except as  
19 provided in subd. 2., a claimant may claim as a credit against the tax imposed under  
20 s. 71.23, up to the amount of those taxes, 25 percent of the claimant's investment paid  
21 to a fund manager that the fund manager invests in a business certified under s.  
22 560.205 (1), except that, for taxable years beginning after December 31, 2009, and  
23 before January 1, 2014, a claimant may claim 40 percent of the claimant's investment  
24 paid to a fund manager that the fund manager invests in a business certified under

*the fund manager has invested  
no more than \$500,000 in the business and*

1 s. 560.205 (1), if the business has received no more than \$2,000,000 in investments  
2 that have qualified for credits under this subsection or s. 71.07 (5b) or 71.47 (5b).

3 **SECTION 28h.** 71.28 (5b) (b) 2. of the statutes is amended to read:

4 71.28 (5b) (b) 2. In the case of a partnership, limited liability company, or  
5 tax-option corporation, the computation of the 25 or 40 percent limitation under  
6 subd. 1. shall be determined at the entity level rather than the claimant level and  
7 may be allocated among the claimants who make investments in the manner set  
8 forth in the entity's organizational documents. The entity shall provide to the  
9 department of revenue and to the department of commerce the names and tax  
10 identification numbers of the claimants, the amounts of the credits allocated to the  
11 claimants, and the computation of the allocations.”.

12 **6.** Page 15, line 21: after that line insert:

13 “**SECTION 32d.** 71.47 (3q) (c) 3. of the statutes, as created by 2009 Wisconsin Act  
14 28, is amended to read:

15 71.47 (3q) (c) 3. The maximum amount of credits that may be awarded under  
16 this subsection and ss. 71.07 (3q) and 71.28 (3q) for the period beginning on January  
17 1, 2010, and ending on June 30, 2013, is \$14,500,000, not including the amount of  
18 any credits reallocated under s. 560.205 (3) (d).

19 **SECTION 32g.** 71.47 (5b) (b) 1. of the statutes is amended to read:

20 71.47 (5b) (b) 1. For taxable years beginning after December 31, 2004, subject  
21 to the limitations provided under this subsection and s. 560.205, and except as  
22 provided in subd. 2., a claimant may claim as a credit against the tax imposed under  
23 s. 71.43, up to the amount of those taxes, 25 percent of the claimant's investment paid  
24 to a fund manager that the fund manager invests in a business certified under s.

(5 -)

*the fund manager has invested no more than \$500,000 in the business and*

1 560.205 (1), except that, for taxable years beginning after December 31, 2009, and  
2 before January 1, 2014, a claimant may claim 40 percent of the claimant's investment  
3 paid to a fund manager that the fund manager invests in a business certified under  
4 s. 560.205 (1), if the business has received no more than \$2,000,000 in investments  
5 that have qualified for credits under this subsection or s. 71.07 (5b) or 71.28 (5b).

6 **SECTION 32h.** 71.47 (5b) (b) 2. of the statutes is amended to read:

7 71.47 (5b) (b) 2. In the case of a partnership, limited liability company, or  
8 tax-option corporation, the computation of the 25 or 40 percent limitation under  
9 subd. 1. shall be determined at the entity level rather than the claimant level and  
10 may be allocated among the claimants who make investments in the manner set  
11 forth in the entity's organizational documents. The entity shall provide to the  
12 department of revenue and to the department of commerce the names and tax  
13 identification numbers of the claimants, the amounts of the credits allocated to the  
14 claimants, and the computation of the allocations.”.

15 **7.** Page 23, line 16: delete the material beginning with that line and ending  
16 with page 24, line 7, and substitute:

17 “(1) RURAL OUTSOURCING GRANTS.

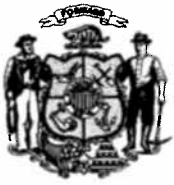
18 (a) From the appropriations under section 20.143 (1) (cp), (ie), (ig), (im), and (ir)  
19 of the statutes, as affected by this act, the department of commerce may award grants  
20 during the 2009-11 fiscal biennium to businesses for outsourcing work to rural  
21 municipalities, as defined under section 560.17 (1) (d) of the statutes. The  
22 department may award a grant from the appropriation under section 20.143 (1) (cp)  
23 of the statutes, as created by this act, only to the extent the unencumbered balances  
24 of the appropriations under section 20.143 (1) (ie), (ig), (im), and (ir) of the statutes,

1 as affected by this act, are insufficient to award the grant. The department shall  
2 require grantees to obtain funding from sources other than the state in an amount  
3 at least equal to the amount of the grant. In determining whether a grantee has  
4 obtained sufficient funding from sources other than the state, the department shall  
5 credit the grantee's capital expenditures, family supporting wages, rent or other  
6 facility costs, electricity costs, equipment leases, and software expenditures. The  
7 total amount of grants awarded under this subsection may not exceed \$500,000.

8 (b) Not more than 45 days after the effective date of this paragraph, the  
9 department of commerce shall promulgate, as emergency rules under section 227.24  
10 of the statutes, rules necessary to administer this subsection. Notwithstanding  
11 section 227.24 (1) (a) and (3) of the statutes, the department is not required to provide  
12 evidence that promulgating a rule under this subsection as an emergency rule is  
13 necessary for the preservation of public peace, health, safety, or welfare and is not  
14 required to provide a finding of emergency for a rule promulgated under this  
15 subsection.

16 (c) Notwithstanding paragraph (a) if, by the first day of the 12th month  
17 beginning after the effective date of the rules promulgated under paragraph (b), the  
18 department of commerce has not received applications for grants under this  
19 subsection totaling \$500,000, the department may spend an amount equal to the  
20 difference between the unencumbered balance of the appropriation account under  
21 section 20.143 (1) (cp) of the statutes, as created by this act, and the total amount of  
22 grants under this subsection for which it has received applications or \$250,000,  
23 whichever is less, from the appropriation under section 20.143 (1) (cp) of the statutes,  
24 as created by this act, for any purpose specified under section 20.143 (1) (c) of the  
25 statutes, as affected by this act.”.





**SENATE AMENDMENT ,  
TO SENATE SUBSTITUTE AMENDMENT 1,  
TO 2009 SENATE BILL 409**

1           At the locations indicated, amend the substitute amendment as follows:

2           **1.** Page 1, line 12: after “credits;” insert “modifying the early stage seed and  
3           jobs tax credits;”.

4           **2.** Page 2, line 11: after that line insert:

5           **“20.143 Commerce, department of**

6           (1)    ECONOMIC AND COMMUNITY DEVELOPMENT

7           (cp)   Rural outsourcing grants           GPR    B           250,000    250,000”.

8           **3.** Page 3, line 10: after that line insert:

9           **“SECTION 2g.** 20.143 (1) (cp) of the statutes is created to read:

10           20.143 (1) (cp) *Rural outsourcing grants.* Biennially, the amounts in the  
11           schedule for rural outsourcing grants under 2009 Wisconsin Act .... (this act), section

1 45 (1) and to make expenditures authorized under 2009 Wisconsin Act .... (this act),  
2 section 45 (1) (c).

3 **SECTION 2r.** 20.143 (1) (cp) of the statutes, as created by 2009 Wisconsin Act  
4 .... (this act), is repealed.”.

5 **4.** Page 9, line 4: after that line insert:

6 “**SECTION 23d.** 71.07 (3q) (c) 3. of the statutes, as created by 2009 Wisconsin Act  
7 28, is amended to read:

8 71.07 (3q) (c) 3. The maximum amount of credits that may be awarded under  
9 this subsection and ss. 71.28 (3q) and 71.47 (3q) for the period beginning on January  
10 1, 2010, and ending on June 30, 2013, is \$14,500,000, not including the amount of  
11 any credits reallocated under s. 560.205 (3) (d).

12 **SECTION 23g.** 71.07 (5b) (b) 1. of the statutes is amended to read:

13 71.07 (5b) (b) 1. For taxable years beginning after December 31, 2004, subject  
14 to the limitations provided under this subsection and s. 560.205, and except as  
15 provided in subd. 2., a claimant may claim as a credit against the tax imposed under  
16 ss. 71.02 and 71.08, up to the amount of those taxes, 25 percent of the claimant’s  
17 investment paid to a fund manager that the fund manager invests in a business  
18 certified under s. 560.205 (1), except that, for taxable years beginning after  
19 December 31, 2009, and before January 1, 2014, a claimant may claim 40 percent of  
20 the claimant’s investment paid to a fund manager that the fund manager invests in  
21 a business certified under s. 560.205 (1), if the fund manager has invested no more  
22 than \$500,000 in the business and the business has received no more than  
23 \$2,000,000 in investments that have qualified for credits under this subsection or s.  
24 71.28 (5b) or 71.47 (5b).



1           **SECTION 23h.** 71.07 (5b) (b) 2. of the statutes is amended to read:

2           71.07 **(5b)** (b) 2. In the case of a partnership, limited liability company, or  
3 tax-option corporation, the computation of the 25 or 40 percent limitation under  
4 subd. 1. shall be determined at the entity level rather than the claimant level and  
5 may be allocated among the claimants who make investments in the manner set  
6 forth in the entity's organizational documents. The entity shall provide to the  
7 department of revenue and to the department of commerce the names and tax  
8 identification numbers of the claimants, the amounts of the credits allocated to the  
9 claimants, and the computation of the allocations.”.

10           **5.** Page 12, line 16: after that line insert:

11           “**SECTION 28d.** 71.28 (3q) (c) 3. of the statutes, as created by 2009 Wisconsin Act  
12 28, is amended to read:

13           71.28 **(3q)** (c) 3. The maximum amount of credits that may be awarded under  
14 this subsection and ss. 71.07 (3q) and 71.47 (3q) for the period beginning on January  
15 1, 2010, and ending on June 30, 2013, is \$14,500,000, not including the amount of  
16 any credits reallocated under s. 560.205 (3) (d).

17           **SECTION 28g.** 71.28 (5b) (b) 1. of the statutes is amended to read:

18           71.28 **(5b)** (b) 1. For taxable years beginning after December 31, 2004, subject  
19 to the limitations provided under this subsection and s. 560.205, and except as  
20 provided in subd. 2., a claimant may claim as a credit against the tax imposed under  
21 s. 71.23, up to the amount of those taxes, 25 percent of the claimant's investment paid  
22 to a fund manager that the fund manager invests in a business certified under s.  
23 560.205 (1), except that, for taxable years beginning after December 31, 2009, and  
24 before January 1, 2014, a claimant may claim 40 percent of the claimant's investment

1 paid to a fund manager that the fund manager invests in a business certified under  
2 s. 560.205 (1), if the fund manager has invested no more than \$500,000 in the  
3 business and the business has received no more than \$2,000,000 in investments that  
4 have qualified for credits under this subsection or s. 71.07 (5b) or 71.47 (5b).

5 **SECTION 28h.** 71.28 (5b) (b) 2. of the statutes is amended to read:

6 71.28 **(5b)** (b) 2. In the case of a partnership, limited liability company, or  
7 tax-option corporation, the computation of the 25 or 40 percent limitation under  
8 subd. 1. shall be determined at the entity level rather than the claimant level and  
9 may be allocated among the claimants who make investments in the manner set  
10 forth in the entity's organizational documents. The entity shall provide to the  
11 department of revenue and to the department of commerce the names and tax  
12 identification numbers of the claimants, the amounts of the credits allocated to the  
13 claimants, and the computation of the allocations.”.

14 **6.** Page 15, line 21: after that line insert:

15 “**SECTION 32d.** 71.47 (3q) (c) 3. of the statutes, as created by 2009 Wisconsin Act  
16 28, is amended to read:

17 71.47 **(3q)** (c) 3. The maximum amount of credits that may be awarded under  
18 this subsection and ss. 71.07 (3q) and 71.28 (3q) for the period beginning on January  
19 1, 2010, and ending on June 30, 2013, is \$14,500,000, not including the amount of  
20 any credits reallocated under s. 560.205 (3) (d).

21 **SECTION 32g.** 71.47 (5b) (b) 1. of the statutes is amended to read:

22 71.47 **(5b)** (b) 1. For taxable years beginning after December 31, 2004, subject  
23 to the limitations provided under this subsection and s. 560.205, and except as  
24 provided in subd. 2., a claimant may claim as a credit against the tax imposed under

1 s. 71.43, up to the amount of those taxes, 25 percent of the claimant's investment paid  
2 to a fund manager that the fund manager invests in a business certified under s.  
3 560.205 (1), except that, for taxable years beginning after December 31, 2009, and  
4 before January 1, 2014, a claimant may claim 40 percent of the claimant's investment  
5 paid to a fund manager that the fund manager invests in a business certified under  
6 s. 560.205 (1), if the fund manager has invested no more than \$500,000 in the  
7 business and the business has received no more than \$2,000,000 in investments that  
8 have qualified for credits under this subsection or s. 71.07 (5b) or 71.28 (5b).

9 **SECTION 32h.** 71.47 (5b) (b) 2. of the statutes is amended to read:

10 71.47 (5b) (b) 2. In the case of a partnership, limited liability company, or  
11 tax-option corporation, the computation of the 25 or 40 percent limitation under  
12 subd. 1. shall be determined at the entity level rather than the claimant level and  
13 may be allocated among the claimants who make investments in the manner set  
14 forth in the entity's organizational documents. The entity shall provide to the  
15 department of revenue and to the department of commerce the names and tax  
16 identification numbers of the claimants, the amounts of the credits allocated to the  
17 claimants, and the computation of the allocations.”.

18 **7.** Page 23, line 16: delete the material beginning with that line and ending  
19 with page 24, line 7, and substitute:

20 “(1) RURAL OUTSOURCING GRANTS.

21 (a) From the appropriations under section 20.143 (1) (cp), (ie), (ig), (im), and (ir)  
22 of the statutes, as affected by this act, the department of commerce may award grants  
23 during the 2009-11 fiscal biennium to businesses for outsourcing work to rural  
24 municipalities, as defined under section 560.17 (1) (d) of the statutes. The

1 department may award a grant from the appropriation under section 20.143 (1) (cp)  
2 of the statutes, as created by this act, only to the extent the unencumbered balances  
3 of the appropriations under section 20.143 (1) (ie), (ig), (im), and (ir) of the statutes,  
4 as affected by this act, are insufficient to award the grant. The department shall  
5 require grantees to obtain funding from sources other than the state in an amount  
6 at least equal to the amount of the grant. In determining whether a grantee has  
7 obtained sufficient funding from sources other than the state, the department shall  
8 credit the grantee's capital expenditures, family supporting wages, rent or other  
9 facility costs, electricity costs, equipment leases, and software expenditures. The  
10 total amount of grants awarded under this subsection may not exceed \$500,000.

11 (b) Not more than 45 days after the effective date of this paragraph, the  
12 department of commerce shall promulgate, as emergency rules under section 227.24  
13 of the statutes, rules necessary to administer this subsection. Notwithstanding  
14 section 227.24 (1) (a) and (3) of the statutes, the department is not required to provide  
15 evidence that promulgating a rule under this subsection as an emergency rule is  
16 necessary for the preservation of public peace, health, safety, or welfare and is not  
17 required to provide a finding of emergency for a rule promulgated under this  
18 subsection.

19 (c) Notwithstanding paragraph (a) if, by the first day of the 12th month  
20 beginning after the effective date of the rules promulgated under paragraph (b), the  
21 department of commerce has not received applications for grants under this  
22 subsection totaling \$500,000, the department may spend an amount equal to the  
23 difference between the unencumbered balance of the appropriation account under  
24 section 20.143 (1) (cp) of the statutes, as created by this act, and the total amount of  
25 grants under this subsection for which it has received applications or \$250,000,

1 whichever is less, from the appropriation under section 20.143 (1) (cp) of the statutes,  
2 as created by this act, for any purpose specified under section 20.143 (1) (c) of the  
3 statutes, as affected by this act.”.

4 **8.** Page 26, line 18: delete the material beginning with that line and ending  
5 with page 27, line 2.

6 **9.** Page 27, line 14: after that line insert:

7 “(6) SMALL BUSINESS OMBUDSMAN FUNDING. In the schedule under section 20.005  
8 (3) of the statutes for the appropriation to the department of commerce under section  
9 20.143 (1) (a) of the statutes, as affected by the acts of 2009, the dollar amount is  
10 increased by \$75,000 for the second fiscal year of the fiscal biennium in which this  
11 subsection takes effect to provide supplemental funding so that a  
12 previously-authorized 1.0 FTE GPR small business ombudsman position is funded  
13 for a full year.”.

14 **10.** Page 27, line 23: delete that line and substitute:

15 “SECTION 48m. Effective dates. This act takes effect on the day after  
16 publication, except as follows:”.

17 **11.** Page 28, line 2: after that line insert:

18 “(2m) RURAL OUTSOURCING GRANTS. The repeal of section 20.143 (1) (c) of the  
19 statutes takes effect on June 30, 2011.”.

20 (END)

cp  
↑  
(cp)