

2011 Se1 DRAFTING REQUEST

Bill

Received: 10/05/2011

Received By: **mgallagh**

Wanted: As time permits

Companion to LRB:

For: **Jeff Fitzgerald (608) 266-2540**

By/Representing: **Nathan Berken**

May Contact:

Drafter: **mgallagh**

Subject: **Econ. Development - bus. dev.**

Addl. Drafters:

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Fitzgerald@legis.wisconsin.gov**

Carbon copy (CC:) to: **michael.gallagher@legis.wisconsin.gov**
Nathan.Berken@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Entrepreneurial tax credit access grant program under WEDC

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>
/?	mgallagh 10/05/2011	jdyer 10/05/2011		_____			State
/P1	mgallagh 10/06/2011	jdyer 10/06/2011	jfrantze 10/05/2011	_____	lparisi 10/05/2011		State
/1			jfrantze 10/06/2011	_____	mbarman 10/06/2011	mbarman 10/06/2011	

FE Sent For:

at intro
10-11-11

<END>

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/?	mgallagh 10/05/2011	jdyer 10/05/2011	<i>[Signature]</i> 10/6	_____	_____		State
/P1	<i>[Signature]</i> 10/6	<i>[Signature]</i> 10/6	jfrantze 10/05/2011	_____	lparisi 10/05/2011		Per MPG

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/?	mgallagh	PI ¹⁰ Sjd	Jb	<u>10/5</u>			

FE Sent For:

<END>

Needed today 10/5 Thomas



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-358/1

JK&CTS:mwr:rs

3096/P1

Special Session

Handwritten notes: "je jld & nu"

2011 ASSEMBLY BILL 90

MPJ

April 12, 2011 - Introduced by Representatives CLARK, BARCA, HINTZ, FIELDS, ROYS, BEWLEY and STASKUNAS, cosponsored by Senators LASSA, SCHULTZ, HOLPERIN and TAYLOR. Referred to Committee on Jobs, Economy and Small Business.

vertical handwritten note: "if a person may otherwise qualify for"

Zegen

- 1 AN ACT to amend 20.143 (1) (c), 20.143 (1) (er), 20.143 (1) (fi) and 20.143 (1) (ie);
- 2 and to create 560.158 of the statutes; relating to: entrepreneurial tax credit
- 3 access grants, providing an exemption from emergency rule procedures,
- 4 granting rule-making authority, and making an appropriation.

the Wisconsin Economic Development Corporation (WEDC)
Analysis by the Legislative Reference Bureau

Under current law, generally, the Department of Commerce (Commerce) may certify a person to receive income and franchise tax credits based on the person's expenditures to acquire, improve, or construct real property or acquire tangible personal property in this state related to the person's business. Under this bill, Commerce may award a grant to a person who wishes to secure financing to make expenditures that would qualify for such tax credits. A person is eligible to receive a grant if the expenditures are made for a business located in this state that has fewer than 25 employees in this state or less than \$5,000,000 in gross receipts. No person may receive a grant unless the person has submitted business and financing plans to a commercial lending institution and submitted copies of the plans to Commerce. Before awarding a grant, Commerce must verify that the lender has approved the person's plans and will underwrite a loan for expenditures, contingent on the person receiving a grant. Under the bill, a person who receives a grant to secure financing for making an expenditure that would qualify for a tax credit may not claim a credit for that expenditure.

WEDC

WEDC

directs WEDC to establish a grant program under which

ASSEMBLY BILL 90

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:

1 **SECTION 1.** 20.143 (1) (c) of the statutes is amended to read:

2 20.143 (1) (c) *Wisconsin development fund; grants, loans, reimbursements, and*
3 *assistance.* Biennially, the amounts in the schedule for grants under ss. 560.145,
4 560.158, and 560.047; for loans under s. 560.128; for grants and loans under ss.
5 560.275 (2) and 560.276 and under subch. V of ch. 560; for reimbursements under s.
6 560.167; for the costs specified in s. 560.607; for loans under s. 560.203 and the loan
7 under 1999 Wisconsin Act 9, section 9110 (4); and for the grants under 1995
8 Wisconsin Act 27, section 9116 (7gg), 1995 Wisconsin Act 119, section 2 (1), 1997
9 Wisconsin Act 27, section 9110 (6g), 2003 Wisconsin Act 33, section 9109 (1d) and
10 (2q), 2007 Wisconsin Act 20, section 9108 (4u), (6c), (7c), (7f), (8c), (8i), (9i), and (10q),
11 2009 Wisconsin Act 2, section 9110 (2) and (3), and 2009 Wisconsin Act 28, section
12 9110 (17q).

13 **SECTION 2.** 20.143 (1) (er) of the statutes is amended to read:

14 20.143 (1) (er) *Rural economic development program.* Biennially, the amounts
15 in the schedule for grants and loans under s. ss. 560.158 and 560.17.

16 **SECTION 3.** 20.143 (1) (fi) of the statutes is amended to read:

17 20.143 (1) (fi) *Forward innovation fund; grants and loans.* Biennially, the
18 amounts in the schedule for grants and loans under s. ss. 560.158 and 560.276 and
19 under subch. II of ch. 560.

20 **SECTION 4.** 20.143 (1) (ie) of the statutes is amended to read:

ASSEMBLY BILL 90

1 20.143 (1) (ie) *Wisconsin development fund, repayments.* All moneys received
 2 in repayment of grants or loans under s. 560.085 (4) (b), 1985 stats., s. 560.10, 2005
 3 stats., s. 560.147, 2005 stats., s. 560.16, 1995 stats., s. 560.165, 1993 stats., s. 560.275
 4 (2), s. 560.62, 2005 stats., s. 560.63, 2005 stats., s. 560.66, 2005 stats., ss. 560.145,
 5 560.157, 560.158, and 560.45, subch. V of ch. 560, 1989 Wisconsin Act 336, section
 6 3015 (1m), 1989 Wisconsin Act 336, section 3015 (2m), 1989 Wisconsin Act 336,
 7 section 3015 (3gx), 1997 Wisconsin Act 27, section 9110 (7f), 1997 Wisconsin Act 310,
 8 section 2 (2d), 1999 Wisconsin Act 9, section 9110 (4), and 2007 Wisconsin Act 20,
 9 section 9108 (5x), not appropriated under par. (gv) to be used for grants and loans
 10 under ss. 560.275 (2), 560.276, and 560.45 and subch. V of ch. 560, for loans under
 11 s. 560.128, for the loan under 1999 Wisconsin Act 9, section 9110 (4), for the grant
 12 under 2001 Wisconsin Act 16, section 9110 (7g), for the grants under 2003 Wisconsin
 13 Act 33, section 9109 (1d) and (2q), for grants under 2009 Wisconsin Act 265, section
 14 45 (1), for the study under 2009 Wisconsin Act 28, section 9110 (15u), and for
 15 reimbursements under s. 560.167.

SECTION 5. 560.158 of the statutes is created to read:

238.14

238.14

Corporation

560.158 Entrepreneurial tax credit access grants. (1) The department

18 may award a grant to a person who intends to use the grant to secure financing for
 19 making expenditures that would qualify for a credit under s. 71.07 (2dy), (3g) (a) 2.,
 20 (3n), (3p), (3r), (3rm), or (3rn), 71.28 (1dy), (3g) (a) 2., (3n), (3p), (3r), (3rm), or (3rn),
 21 or 71.47 (1dy), (3g) (a) 2., (3n), (3p), (3r), (3rm), or (3rn), if the expenditures are made
 22 for a business located in this state that has fewer than 25 employees in this state or
 23 less than \$5,000,000 in gross receipts for the taxable year in which the person applies
 24 for a grant under this section.

The corporation shall administered a program to make grants under this section.

ASSEMBLY BILL 90

LPS-
USE
6 times

corporation

1 (2) Any person who wishes to receive a grant under this section shall complete
 2 and submit an application to the department and enter into an agreement with the
 3 department to use the grant to secure financing for making expenditures described
 4 under sub. (1) and to repay any or all of the grant proceeds to the department if the
 5 person fails to comply with the agreement. An agreement under this subsection may
 6 provide that repayment shall be obtained through full or partial repayment of the
 7 principal amount of the grant plus interest, through receipt of a share of future
 8 profits from or an interest in a product or process, or through any other appropriate
 9 means.

10 (3) (a) No person may receive a grant under this section unless the person has
 11 submitted business and financing plans to a commercial lending institution and
 12 submitted copies of the plans to the department. Before awarding a grant, the
 13 department shall verify that the lender has approved the person's plans and will
 14 underwrite a loan for expenditures described under sub. (1), contingent on the
 15 person receiving a grant under this section.

16 (b) The amount of any grant awarded under this section is the amount equal
 17 to 95 percent of the tax credit that the recipient could otherwise receive for making
 18 expenditures described under sub. (1), except that the amount of the grant may not
 19 exceed an amount equal to 20 percent of the cost of the project that is being

20 financed. (c) The department shall require, as a condition of the grant, that the
 21 recipient contribute to a project an amount that is not less than the amount the
 22 recipient receives as a grant under this section.

23 (4) A person who receives a grant under this section to secure financing for
 24 making an expenditure described under sub. (1) may not claim a credit under s. 71.07
 25 (2dy), (3g) (a) 2., (3n), (3p), (3r), (3rm), or (3rn), 71.28 (1dy), (3g) (a) 2., (3n), (3p), (3r),

ASSEMBLY BILL 90

corporation

LPS use 4 times

1 (3rm), or (3rn), or 71.47 (1dy), (3g) (a) 2., (3n), (3p), (3r), (3rm), or (3rn) for that
2 expenditure.

under this section

3 (5) (a) The department shall pay grants from the appropriations under s.

4 20.143 (1) (c), (er), (ie), and (fi). The total amount that the department may award

5 under this section in a financial year is \$8,000,000.

20.143(1)(r)

fiscal

6 (b) The department shall promulgate rules to administer this section.

establish policies and procedures

7 (c) The department may not award grants under this section after January 1,

8 2015.

9 SECTION 6. Nonstatutory provisions.

10 (1) ENTREPRENEURIAL TAX CREDIT ACCESS GRANTS. Using the procedure under
11 section 227.24 of the statutes, the department of commerce shall promulgate the
12 rules required under section 560.158 (5) (b) of the statutes, as created by this act, for
13 the period before the effective date of the permanent rule promulgated under section
14 560.158 (5) (b) of the statutes, as created by this act, but not to exceed the period
15 authorized under section 227.24 (1) (c) of the statutes, subject to the extension under
16 section 227.24 (2) of the statutes. Notwithstanding section 227.24 (1) (a), (2) (b), and
17 (3) of the statutes, the department is not required to provide evidence that
18 promulgating a rule under this subsection as an emergency rule is necessary for the
19 preservation of the public peace, health, safety, or welfare and is not required to
20 provide a finding of emergency for a rule promulgated under this subsection.

21 (END)

Per Ser. Fitzgerald's
office - okay
to do a P-draft
on this one.



Please Submit Through
State of Wisconsin
2011 - 2012 LEGISLATURE

September 2011 Special Session



LRB-3096/PT
MPG:jld&nwn:jf

1

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

TODAY

X Regen

1 AN ACT *to create* 238.14 of the statutes; **relating to:** entrepreneurial tax credit
2 access grants.

Analysis by the Legislative Reference Bureau

Under current law, the Wisconsin Economic Development Corporation (WEDC) may certify a person to receive, or a person may otherwise qualify for, income and franchise tax credits based on the person's expenditures in this state related to the person's business. This bill directs WEDC to establish a grant program under which WEDC may award a grant to a person who wishes to secure financing to make expenditures that would qualify for such tax credits. A person is eligible to receive a grant if the expenditures are made for a business located in this state that has fewer than 25 employees in this state or less than \$5,000,000 in gross receipts. No person may receive a grant unless the person has submitted business and financing plans to a commercial lending institution and submitted copies of the plans to WEDC. Before awarding a grant, WEDC must verify that the lender has approved the person's plans and will underwrite a loan for expenditures, contingent on the person receiving a grant. Under the bill, a person who receives a grant to secure financing for making an expenditure that would qualify for a tax credit may not claim a credit for that expenditure.

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:

1 **SECTION 1.** 238.14 of the statutes is created to read:

2 **238.14 Entrepreneurial tax credit access grants.** (1) The corporation
3 shall establish and administer a program to make grants under this section. The
4 corporation may award a grant under the program to a person who intends to use the
5 grant to secure financing for making expenditures that would qualify for a credit
6 under s. 71.07 (2dy), (3g) (a) 2., (3n), (3p), (3r), (3rm), or (3rn), 71.28 (1dy), (3g) (a)
7 2., (3n), (3p), (3r), (3rm), or (3rn), or 71.47 (1dy), (3g) (a) 2., (3n), (3p), (3r), (3rm), or
8 (3rn), if the expenditures are made for a business located in this state that has fewer
9 than 25 employees in this state or less than \$5,000,000 in gross receipts for the
10 taxable year in which the person applies for a grant under this section.

11 (2) Any person who wishes to receive a grant under this section shall complete
12 and submit an application to the corporation and enter into an agreement with the
13 corporation to use the grant to secure financing for making expenditures described
14 under sub. (1) and to repay any or all of the grant proceeds to the corporation if the
15 person fails to comply with the agreement. An agreement under this subsection may
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20 (3) (a) No person may receive a grant under this section unless the person has
21 submitted business and financing plans to a commercial lending institution and
22 submitted copies of the plans to the corporation. Before awarding a grant, the
23 corporation shall verify that the lender has approved the person's plans and will
24 underwrite a loan for expenditures described under sub. (1), contingent on the
25 person receiving a grant under this section.

