

2011 DRAFTING REQUEST

Senate Amendment (SA-SB463)

Received: **02/23/2012**

Received By: **jkreye**

Wanted: **As time permits**

Companion to LRB:

For: **Joseph Leibham (608) 266-2056**

By/Representing: **lucas**

May Contact:

Drafter: **jkreye**

Subject: **Tax, Business - credits**

Addl. Drafters:

Extra Copies:

Submit via email: **YES**

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

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Angel and early stage seed investments; technical change

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> |
|--------------|----------------------|-----------------------|------------------------|----------------|-----------------------|-----------------------|-----------------|
| /1 | jkreye 02/23/2012 | mduchek 02/23/2012 | rschluet 02/23/2012 | _____ | lparisi 02/23/2012 | lparisi 02/23/2012 | |

FE Sent For:

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|--------------|----------------|---|---|----------------|------------------|-----------------|-----------------|
| /1 | jkreye |  |  | _____ | _____ | _____ | _____ |
| | | 2/23/12 | 2/23/12 | | | | |
| | | /1 | | | | | |

FE Sent For: _____

<END>

MEMORANDUM

February 21, 2012

TO: Marc Shovers
Legislative Reference Bureau

FROM: John Koskinen
Brad Caruth
Department of Revenue

SUBJECT: Technical Memorandum on Senate Bill 463: The Angel Investment and Early Stage Seed Investment Tax Credit Programs

The Department has the following concern related to the bill:

The analysis states that "a person that holds such an investment for less than three years does not have to repay the tax credit to DOR, if the person's investment becomes worthless, as determined by WEDC, or if a bona fide liquidity event occurs, as determined by WEDC." If this is the intent, secs. 71.07(5b)(d)3. and (5d)1., 71.28(5b)(d)3, and 71.47(5b)(d)3., should also be amended to reflect this position.

If you have any questions regarding this technical memorandum, please contact Brad Caruth at (608) 261-8984 or bradley.caruth@revenue.wi.gov.

cc: Senator Leibham

Kreye, Joseph

From: Moench, Lucas
Sent: Thursday, February 23, 2012 9:45 AM
To: Kreye, Joseph
Subject: Amendment to SB 463

Attachments: 11-3864feDORtech.PDF

Joseph-

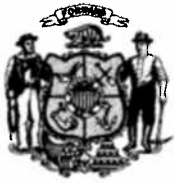
Could you please draft us an amendment to SB 463 that incorporates the changes suggested in the attached?

Thanks,

Lucas Moench
Office of State Senator Joe Leibham
9th Senate District
608-266-2056



11-3864feDORtec
h.PDF (57 KB)



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**SENATE AMENDMENT ,
TO 2011 SENATE BILL 463**

5/1 ✓
in 2-23-12 D-N
Today

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 2, line 1: before that line insert:

3 **"SECTION 1d.** 71.07 (5b) (d) 3. of the statutes, as affected by 2011 Wisconsin Act
4 32, is amended to read:

5 71.07 (5b) (d) 3. For Except as provided under s. 238.15 (3) (d) (intro.), for
6 investments made after December 31, 2007, if an investment for which a claimant
7 claims a credit under par. (b) is held by the claimant for less than 3 years, the
8 claimant shall pay to the department, in the manner prescribed by the department,
9 the amount of the credit that the claimant received related to the investment."

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, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 15, 32, 67; s. 13.92 (1) (bm) 2; s. 35.77 correction in (2dr) (a), (5m).

10 **2.** Page 2, line 1: delete "SECTION 1" and substitute "SECTION 1f".

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

1 **“SECTION 1h. 71.07 (5d) (d) 1.** of the statutes, as affected by 2011 Wisconsin Act
2 32, is amended to read:

3 71.07 **(5d) (d) 1.** ~~For~~ Except as provided under s. 238.15 (3) (d) (intro.), for
4 investments made after December 31, 2007, if an investment for which a claimant
5 claims a credit under par. (b) is held by the claimant for less than 3 years, the
6 claimant shall pay to the department, in the manner prescribed by the department,
7 the amount of the credit that the claimant received related to the investment.

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, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 15, 32, 67; s. 13.92 (1) (bm) 2; s. 35.17 correction in (2dr) (a), (5n).

8 **SECTION 1j. 71.28 (5b) (d) 3.** of the statutes, as affected by 2011 Wisconsin Act
9 32, is amended to read:

10 71.28 **(5b) (d) 3.** ~~For~~ Except as provided under s. 238.15 (3) (d) (intro.), for
11 investments made after December 31, 2007, if an investment for which a claimant
12 claims a credit under par. (b) is held by the claimant for less than 3 years, the
13 claimant shall pay to the department, in the manner prescribed by the department,
14 the amount of the credit that the claimant received related to the investment.

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, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 3, 15, 32, 67; s. 13.92 (1) (bm) 2; s. 35.17 correction in (ldm) (a) 1.

15 **SECTION 1m. 71.47 (5b) (d) 3.** of the statutes, as affected by 2011 Wisconsin Act
16 32, is amended to read:

17 71.47 **(5b) (d) 3.** ~~For~~ Except as provided under s. 238.15 (3) (d) (intro.), for
18 investments made after December 31, 2007, if an investment for which a claimant
19 claims a credit under par. (b) is held by the claimant for less than 3 years, the
20 claimant shall pay to the department, in the manner prescribed by the department,
21 the amount of the credit that the claimant received related to the investment.”.

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, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 3, 15, 32, 67; s. 13.92 (1) (bm) 2.

22 **(END)**

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBa2471/1dn

JK:|:....

DOR

med

Senator Liebham:

This amendment makes the changes suggested by DOR in its technical memorandum, dated February 21, 2012.

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

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBa2471/1dn
JK:med:rs

February 23, 2012

Senator Liebham:

This amendment makes the changes suggested by DOR in its technical memorandum, dated February 21, 2012.

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