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AN ACT to amend 20.285 (1) (cd), 36.25 (52) (c), 71.07 (5b) (d) 1., 71.07 (5d) (d) 2., 71.10 (4) (gwb), 71.10 (4) (gx), 71.10 (4) (i), 71.28 (5b) (d) 1., 71.30 (3) (eop), 71.30 (3) (f), 71.47 (5b) (d) 1., 71.49 (1) (eop) and 71.49 (1) (f); and to create 20.835 (2) (ba), 71.07 (5b) (d) 1m., 71.07 (5b) (d) 4., 71.07 (5d) (d) 2m., 71.07 (5d) (d) 5., 71.28 (5b) (d) 1m., 71.28 (5b) (d) 4., 71.47 (5b) (d) 1m., 71.47 (5b) (d) 4. and 238.27 of the statutes; relating to: the Wisconsin Small Company Advancement program, requiring the Wisconsin Economic Development Corporation to issue bonds and notes to raise capital for investment by venture capital funds in Wisconsin businesses, allowing refunds for the early stage seed and angel investment tax credits, authorizing positions for the University of Wisconsin, and making appropriations.

Analysis by the Legislative Reference Bureau
Under current law, a taxpayer may claim early stage seed and angel investment income and franchise tax credits for the taxpayer’s investments in qualified new businesses. If the credit amounts exceed the taxpayer’s tax liability, the taxpayer does not receive a refund, but, instead, may apply the amount of the unused credits
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...to subsequent taxable years. Under this bill, if the credit amounts exceed the taxpayer’s tax liability, the taxpayer receives a refund.

Current law requires the Board of Regents (board) of the University of Wisconsin (UW) System to make grants to the WiSys Technology Foundation, Inc. (foundation), for the Wisconsin Small Company Advancement program (program) to provide intellectual property management services to UW–Extension and all institutions and college campuses, except for UW–Madison and UW–Milwaukee. The amount of each grant must be $250,000, but the board may make a grant only if the foundation secures matching funds from sources other than the state. Current law appropriates a sum sufficient not to exceed $2,000,000 for the grants, as well as for certain administrative costs. This bill changes the appropriation to a sum certain appropriation, and appropriates $1,400,000 in fiscal year 2011–12 and $1,400,000 in fiscal year 2012–13 for the grants and administrative costs.

The bill authorizes faculty, academic advisor, and support staff positions at the UW–Milwaukee School of Public Health and the UW–Milwaukee School of Freshwater Sciences beginning in fiscal year 2012–13, and authorizes faculty positions at the UW–Madison Institute for Discovery beginning on the bill’s effective date.

The bill also requires the Wisconsin Economic Development Corporation (corporation) to issue bonds and notes to raise not more than $100,000,000 for investment in Wisconsin businesses on behalf of the corporation by up to ten venture capital funds. The corporation must provide the capital to venture capital funds that agree to invest the capital on behalf of the corporation in Wisconsin businesses in various industry sectors and in different stages of development; to require a business in which the capital is to be invested to raise funds from sources other than the state or the corporation in an amount equal to four times the amount of capital to be invested on behalf of the corporation; and to maintain offices, staff, and investment in this state.

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. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert

the following amounts for the purposes indicated:
20.285 University of Wisconsin System

(1) University Education, Research and Public Service

(ce) WiSys Technology Foundation

| grants | GPR | A | 1,400,000 | 1,400,000 |

SECTION 2. 20.285 (1) (cd) of the statutes is repealed.

SECTION 3. 20.285 (1) (ce) of the statutes is created to read:

20.285 (1) (ce) WiSys Technology Foundation grants. The amounts in the schedule for grants to the WiSys Technology Foundation, Inc., under s. 36.25 (52) (b).

SECTION 4. 20.835 (2) (ba) of the statutes is created to read:

20.835 (2) (ba) Early stage seed and angel investment credits. A sum sufficient to make the payments under ss. 71.07 (5b) (d) 4. and (5d) (d) 5., 71.28 (5b) (d) 4., and 71.47 (5b) (d) 4.

SECTION 5. 36.25 (52) (b) of the statutes is amended to read:

36.25 (52) (b) From the appropriation under s. 20.285 (1) (cd) (ce), the board shall award grants to the foundation for the Wisconsin Small Company Advancement program to provide intellectual property management services to the extension and all institutions and college campuses other than the University of Wisconsin–Madison and the University of Wisconsin–Milwaukee and for the administrative costs of the program. The amount of each grant shall be $250,000. The foundation may use no more than $75,000 of the amount appropriated under s. 20.285 (1) (cd) (ce) for the administrative costs of the program. The board may not award a grant unless the foundation shows to the satisfaction of the board that the
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foundation has secured, after January 1, 2010, matching funds for the program from
sources other than the state that are equal to the amount of the grant, except that
the amounts used for administrative costs of the program are exempt from the
matching requirement. In-kind contributions may be applied to meet the matching
requirement.

SECTION 6. 36.25 (52) (c) of the statutes is amended to read:

36.25 (52) (c) The board shall submit progress reports at least annually on the
use of grants under par. (b) to the joint committee on finance and the chief clerk of
each house of the legislature for distribution to the appropriate standing committees
under s. 13.172 (3), at least annually until the program funded by the grants under
par. (b) is terminated.

SECTION 7. 71.07 (5b) (d) 1. of the statutes is amended to read:

71.07 (5b) (d) 1. Section For taxable years beginning before January 1, 2011,
s. 71.28 (4) (e) to (h), as it applies to the credit under s. 71.28 (4), applies to the credit
under this subsection.

SECTION 8. 71.07 (5b) (d) 1m. of the statutes is created to read:

71.07 (5b) (d) 1m. For taxable years beginning after December 31, 2010, s.
71.28 (4) (e), (g), and (h), as it applies to the credit under s. 71.28 (4), applies to the
credit under this subsection.

SECTION 9. 71.07 (5b) (d) 4. of the statutes is created to read:

71.07 (5b) (d) 4. For taxable years beginning after December 31, 2010, if the
allowable amount of the claim under par. (b) exceeds the tax otherwise due under s.
71.02 or 71.08, the amount of the claim not used to offset the tax due shall be certified
by the department of revenue to the department of administration for payment by
check, share draft, or other draft drawn from the appropriation account under s. 20.835 (2) (ba).

SECTION 10. 71.07 (5d) (d) 2. of the statutes is amended to read:

71.07 (5d) (d) 2. Section For taxable years beginning before January 1, 2011, s. 71.28 (4) (e) to (h), as it applies to the credit under s. 71.28 (4), applies to the credit under this subsection.

SECTION 11. 71.07 (5d) (d) 2m. of the statutes is created to read:

71.07 (5d) (d) 2m. For taxable years beginning after December 31, 2010, s. 71.28 (4) (e), (g), and (h), as it applies to the credit under s. 71.28 (4), applies to the credit under this subsection.

SECTION 12. 71.07 (5d) (d) 5. of the statutes is created to read:

71.07 (5d) (d) 5. For taxable years beginning after December 31, 2010, if the allowable amount of the claim under par. (b) exceeds the tax otherwise due under s. 71.02 or 71.08, the amount of the claim not used to offset the tax due shall be certified by the department of revenue to the department of administration for payment by check, share draft, or other draft drawn from the appropriation account under s. 20.835 (2) (ba).

SECTION 13. 71.10 (4) (gwb) of the statutes is amended to read:

71.10 (4) (gwb) Early stage seed investment credit under s. 71.07 (5b), except as provided under par. (i).

SECTION 14. 71.10 (4) (gx) of the statutes is amended to read:

71.10 (4) (gx) Angel investment credit under s. 71.07 (5d), except as provided under par. (i).

SECTION 15. 71.10 (4) (i) of the statutes is amended to read:
71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland preservation credit under ss. 71.57 to 71.61, farmland preservation credit, 2010 and beyond under s. 71.613, homestead credit under subch. VIII, farmland tax relief credit under s. 71.07 (3m), dairy manufacturing facility investment credit under s. 71.07 (3p), jobs tax credit under s. 71.07 (3q), meat processing facility investment credit under s. 71.07 (3r), woody biomass harvesting and processing credit under s. 71.07 (3rm), food processing plant and food warehouse investment credit under s. 71.07 (3rn), early stage seed investment credit under s. 71.07 (5b) (d) 4., angel investment credit under s. 71.07 (5d) (d) 5., film production services credit under s. 71.07 (5f), film production company investment credit under s. 71.07 (5h), veterans and surviving spouses property tax credit under s. 71.07 (6e), enterprise zone jobs credit under s. 71.07 (3w), beginning farmer and farm asset owner tax credit under s. 71.07 (8r), earned income tax credit under s. 71.07 (9e), estimated tax payments under s. 71.09, and taxes withheld under subch. X.

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

71.28 (5b) (d) 1. Subsection For taxable years beginning before January 1, 2011, sub. (4) (e) to (h), as it applies to the credit under sub. (4), applies to the credit under this subsection.

SECTION 17. 71.28 (5b) (d) 1m. of the statutes is created to read:

71.28 (5b) (d) 1m. For taxable years beginning after December 31, 2010, sub. (4) (e), (g), and (h), as it applies to the credit under sub. (4), applies to the credit under this subsection.

SECTION 18. 71.28 (5b) (d) 4. of the statutes is created to read:

71.28 (5b) (d) 4. For taxable years beginning after December 31, 2010, if the allowable amount of the claim under par. (b) exceeds the tax otherwise due under s.
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71.23, the amount of the claim not used to offset the tax due shall be certified by the department of revenue to the department of administration for payment by check, share draft, or other draft drawn from the appropriation account under s. 20.835 (2) (ba).

SECTION 19. 71.30 (3) (eop) of the statutes is amended to read:

71.30 (3) (eop) Early stage seed investment credit under s. 71.28 (5b), except as provided under par. (f).

SECTION 20. 71.30 (3) (f) of the statutes is amended to read:

71.30 (3) (f) The total of farmland preservation credit under subch. IX, farmland tax relief credit under s. 71.28 (2m), dairy manufacturing facility investment credit under s. 71.28 (3p), jobs credit under s. 71.28 (3q), meat processing facility investment credit under s. 71.28 (3r), woody biomass harvesting and processing credit under s. 71.28 (3rm), food processing plant and food warehouse investment credit under s. 71.28 (3rn), enterprise zone jobs credit under s. 71.28 (3w), early stage seed investment credit under s. 71.28 (5b) (d) 4., film production services credit under s. 71.28 (5f), film production company investment credit under s. 71.28 (5h), beginning farmer and farm asset owner tax credit under s. 71.28 (8r), and estimated tax payments under s. 71.29.

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

71.47 (5b) (d) 1. Section For taxable years beginning before January 1, 2011, s. 71.28 (4) (e) to (h), as it applies to the credit under s. 71.28 (4), applies to the credit under this subsection.

SECTION 22. 71.47 (5b) (d) 1m. of the statutes is created to read:
SECTION 22. 71.47 (5b) (d) 1m. For taxable years beginning after December 31, 2010, s. 71.28 (4) (e), (g), and (h), as it applies to the credit under s. 71.28 (4), applies to the credit under this subsection.

SECTION 23. 71.47 (5b) (d) 4. of the statutes is created to read:

71.47 (5b) (d) 4. For taxable years beginning after December 31, 2010, if the allowable amount of the claim under par. (b) exceeds the tax otherwise due under s. 71.43, the amount of the claim not used to offset the tax due shall be certified by the department of revenue to the department of administration for payment by check, share draft, or other draft drawn from the appropriation account under s. 20.835 (2) (ba).

SECTION 24. 71.49 (1) (eop) of the statutes is amended to read:

71.49 (1) (eop) Early stage seed investment credit under s. 71.47 (5b), except as provided under par. (f).

SECTION 25. 71.49 (1) (f) of the statutes is amended to read:

71.49 (1) (f) The total of farmland preservation credit under subch. IX, farmland tax relief credit under s. 71.47 (2m), dairy manufacturing facility investment credit under s. 71.47 (3p), jobs credit under s. 71.47 (3q), meat processing facility investment credit under s. 71.47 (3r), woody biomass harvesting and processing credit under s. 71.47 (3rm), food processing plant and food warehouse investment credit under s. 71.47 (3rn), enterprise zone jobs credit under s. 71.47 (3w), early stage seed investment credit under s. 71.47 (5b) (d) 4., film production services credit under s. 71.47 (5f), film production company investment credit under s. 71.47 (5h), beginning farmer and farm asset owner tax credit under s. 71.47 (8r), and estimated tax payments under s. 71.48.

SECTION 26. 238.27 of the statutes is created to read:
238.27 Wisconsin growth initiative. The corporation shall implement a program to issue bonds and notes to raise capital for investment in Wisconsin businesses on behalf of the corporation by up to 10 venture capital funds. The program may not raise more than a total of $100,000,000, and may not raise funds after December 31, 2016. The corporation shall provide the capital raised under the program to venture capital funds that agree to do all of the following:

(1) Invest the capital on behalf of the corporation in Wisconsin businesses in various industry sectors and in different stages of development.

(2) Require a business in which the capital is to be invested to raise funds from sources other than the state or the corporation in an amount equal to 4 times the amount of capital to be invested on behalf of the corporation.

(3) Maintain offices, staff, and investment in this state.

SECTION 27. Nonstatutory provisions.

(1) University of Wisconsin System position authorizations. The authorized FTE positions for the Board of Regents of the University of Wisconsin System, funded from the appropriation under section 20.285 (1) (a) of the statutes, are increased by 15.0 GPR positions to provide faculty at the Wisconsin Institute for Discovery at the University of Wisconsin-Madison.

SECTION 28. Fiscal changes.

(1) University of Wisconsin-Milwaukee School of Public Health; faculty. In the schedule under section 20.005 (3) of the statutes for the appropriation to the Board of Regents of the University of Wisconsin System under section 20.285 (1) (a) of the statutes, as affected by the acts of 2011, the dollar amount is increased by $2,198,400 for the second fiscal year of the fiscal biennium in which this subsection
takes effect to increase the authorized FTE positions by 15.0 GPR positions for
faculty at the University of Wisconsin–Milwaukee School of Public Health.

(2) **University of Wisconsin–Milwaukee School of Public Health; Academic
Advisor and Support Staff.** In the schedule under section 20.005 (3) of the statutes
for the appropriation to the Board of Regents of the University of Wisconsin System
under section 20.285 (1) (a) of the statutes, as affected by the acts of 2011, the dollar
amount is increased by $205,200 for the second fiscal year of the fiscal biennium in
which this subsection takes effect to increase the authorized FTE positions by 1.0
GPR position for an academic advisor at the University of Wisconsin–Milwaukee
School of Public Health and to increase the authorized FTE positions by 2.0 GPR
positions for support staff at the University of Wisconsin–Milwaukee School of
Public Health.

(3) **University of Wisconsin–Milwaukee School of Public Health; Supplies
and Services.** In the schedule under section 20.005 (3) of the statutes for the
appropriation to the Board of Regents of the University of Wisconsin System under
section 20.285 (1) (a) of the statutes, as affected by the acts of 2011, the dollar amount
is increased by $96,400 for the second fiscal year of the fiscal biennium in which this
subsection takes effect to increase funding for supplies and services at the University
of Wisconsin–Milwaukee School of Public Health.

(4) **University of Wisconsin–Milwaukee School of Freshwater Sciences;
Faculty.** In the schedule under section 20.005 (3) of the statutes for the appropriation
to the Board of Regents of the University of Wisconsin System under section 20.285
(1) (a) of the statutes, as affected by the acts of 2011, the dollar amount is increased
by $820,700 for the second fiscal year of the fiscal biennium in which this subsection
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(5) UNIVERSITY OF WISCONSIN-MILWAUKEE SCHOOL OF FRESHWATER SCIENCES; ACADEMIC ADVISOR AND SUPPORT STAFF. In the schedule under section 20.005 (3) of the statutes for the appropriation to the Board of Regents of the University of Wisconsin System under section 20.285 (1) (a) of the statutes, as affected by the acts of 2011, the dollar amount is increased by $131,900 for the second fiscal year of the fiscal biennium in which this subsection takes effect to increase the authorized FTE positions by 1.0 GPR position for an academic advisor at the University of Wisconsin-Milwaukee School of Freshwater Sciences and to increase the authorized FTE positions by 1.0 GPR positions for support staff at the University of Wisconsin-Milwaukee School of Freshwater Sciences.

(6) UNIVERSITY OF WISCONSIN-MILWAUKEE SCHOOL OF FRESHWATER SCIENCES; SUPPLIES AND SERVICES. In the schedule under section 20.005 (3) of the statutes for the appropriation to the Board of Regents of the University of Wisconsin System under section 20.285 (1) (a) of the statutes, as affected by the acts of 2011, the dollar amount is increased by $47,400 for the second fiscal year of the fiscal biennium in which this subsection takes effect to increase funding for supplies and services at the University of Wisconsin-Milwaukee School of Freshwater Sciences.

SECTION 29. Effective date.

(1) This act takes effect on the day after publication of the 2011-2013 biennial budget act.

(END)