

Fiscal Estimate Narratives

WEDC 3/11/2013

LRB Number	13-1600/1	Introduction Number	SB-053	Estimate Type	Original
Description Entrepreneurial tax credit access grants					

Assumptions Used in Arriving at Fiscal Estimate

Under this bill, WEDC is required to establish a program to provide grants to assist individuals in securing financing for expenditures that otherwise would have qualified for income and franchise tax credits based on expenditures related to their business. The grants are in lieu of tax credits to target businesses without a tax liability, such as start-ups. The bill allows WEDC to pay grants from the economic development fund until January 1, 2015.

Long-Range Fiscal Implications

WEDC already has the authority to implement grant and loan programs, with approval from its board, including staffing the functional areas of promotion to business, underwriting, compliance, and finance. Under the current proposal, WEDC would be able to absorb the staffing costs of the additional program described in this bill. However, this assumes that other bills requiring WEDC to absorb the cost do not pass.

As a further consideration, this bill requires WEDC to fund this program through its Economic Development Fund, which is the pool of funding dedicated to WEDC, board-approved economic development programs. By requiring WEDC to fund the program specified in this bill, it will divert staff resources and incentive funds away from other existing programs to this meet new statutory requirement.