



State of Wisconsin

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STEPHEN R. MILLER
CHIEF

April 2, 2014

MEMORANDUM

To: Senator Farrow

From: Joseph T. Kreye, Sr. Legislative Attorney, (608) 266-2263

From: Michael P. Gallagher, Legislative Attorney, (608) 267-7511

Subject: Technical Memorandum to **2013 SB 696** (LRB-4167/1) by **DOR**

We received the attached technical memorandum relating to your bill. This copy is for your information and your file.

If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

MEMORANDUM

April 1, 2014

TO: Joseph Kreye
Michael P. Gallagher
Legislative Reference Bureau

FROM: Michael Wagner
Michael Oakleaf
Department of Revenue

SUBJECT: Technical Memorandum on SB 696 (LRB 4167/1) – Various Changes to the Angel and Early Stage Seed Credits

The Department has the following technical concerns with the above-referenced bill:

- Generally a person must add a credit to income in the year computed. This prevents a double benefit as otherwise the person would be able to deduct the expenses as well as claim the credit. In order to be consistent with the treatment of other credits in current law, ss.71.26(2)(a)4 and 71.45 (2)(a)10 should be amended to provide that the amount of the qualified purchases credit be included in income.
- To allow sufficient time for software developers and the department's programmers, if this bill were enacted after July 31, 2014, it would be preferable if it would first apply to taxable years beginning on or after January 1, 2015.

If you have any questions regarding this technical memorandum, please contact Michael Oakleaf at 261-5173 or via email at Michael.oakleaf@revenue.wi.gov.

cc: Sen. Farrow