

2015 DRAFTING REQUEST

Bill

Received: 12/19/2014 Received By: mgallagh
Wanted: As time permits Same as LRB:
For: Administration-Budget 61923 By/Representing: Quinn
May Contact: Drafter: mgallagh
Subject: Econ. Development - bus. dev. Addl. Drafters:
Econ. Development - tax incentves Extra Copies:

Submit via email: YES
Requester's email:
Carbon copy (CC) to: michael.gallagher@legis.wisconsin.gov
zachary.wyatt@legis.wisconsin.gov
sbostatlanguage@webapps.wi.gov

Pre Topic:

DOA:.....Quinn, BB0320 -

Topic:

Angel and Early Stage Business Tax Credit Modifications

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>
/P1	mgallagh 1/27/2015	csicilia 1/27/2015	jmurphy 1/27/2015	_____	lparisi 1/14/2015		
/P2	mgallagh 1/28/2015	jdyer 1/29/2015	jfrantze 1/29/2015	_____	lparisi 1/27/2015		
/P3				_____	mbarman		

Vers. Drafted

Reviewed

Typed

Proofed

Submitted
1/29/2015

Jacketed

Required

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/P2		<i>P3 1/29 JLD</i>	<i>He 1/29</i>	_____	lparisi 1/27/2015		

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/P1	mgallagh 1/9/2015	kfollett 1/14/2015	jfrantze 1/14/2015	_____	lparisi 1/14/2015		

FE Sent For: *p2 gjs 4/27/15* *[Signature]* 1/27
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/P1	mgallagh						

FE Sent For:

<END>

Kreye, Joseph

From: Hanaman, Cathlene
Sent: Thursday, December 18, 2014 4:00 PM
To: Kreye, Joseph; Shovers, Marc
Subject: FW: Statutory Language Drafting Request - BB0320

From: brian.quinn@wisconsin.gov [mailto:brian.quinn@wisconsin.gov]
Sent: Thursday, December 18, 2014 3:50 PM
To: Hanaman, Cathlene
Cc: Ziegler, Paul - DOA; Quinn, Brian D - DOA; Connor, Christopher B - DOA
Subject: Statutory Language Drafting Request - BB0320

Biennial Budget: 2015-17

DOA Tracking Code: BB0320

Topic: Angel and Early Stage Business Tax Credit Modifications

SBO Team: TLGED

SBO Analyst: Quinn, Brian D - DOA
Phone: (608) 266-1923
E-mail: brian.quinn@wisconsin.gov

Agency Acronym: WEDC

Agency Number: 192

Priority: High

Intent:

Make the following modifications to the Angel and Early Stage Investment Tax Credit programs.

1. Combine the credit pools for both credits into a single credit pool for each tax year.
2. Reduce the allocation from a combined \$40.5 million to \$30 million. Credit allocations not awarded may continue to carryover.
3. Increase the threshold for tax credit eligible investments to \$12 million from \$8 million under s. 238.15(1)(L)
4. Allow Angel credits to be transferred and allow WEDC an administrative fee of up to 5 percent for both the Angel and Early Stage credits.
5. Change the definitions under 238.15(1)(f) to change the term "proprietary technology" to "differentiating technology". Also allow technology-based physician and health care consulting businesses to qualify for the credits. Further allow predominantly internet-based retailers, defined as those with 51% or greater of their sales originating online, to qualify.

Attachments: False

Please send completed drafts to SBOStatlanguage@webapps.wi.gov



DOA:.....Quinn, BB0320 - Angel and Early Stage Business Tax Credit
Modifications

FOR 2015-2017 BUDGET — NOT READY FOR INTRODUCTION

1/16

Don't Gen

1 AN ACT ...; relating to: the budget

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a subsequent version of this draft.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

UPS:
sort out of order
insert from
p. 4

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3 238.15 (1) (f) 1. b. Processing or assembling products, including medical
4 devices, pharmaceuticals, computer software, computer hardware, semiconductors,
5 any other innovative technology products, or other products that are produced using
6 manufacturing methods that are enabled by applying proprietary differentiating
7 technology.

History: 2003 a. 255; 2005 a. 49, 97; 2007 a. 20, 125; 2009 a. 2, 265, 276; 2011 a. 32 s. 3356; Stats. 2011 s. 238.15; 2011 a. 213.

8 SECTION 2. 238.15 (1) (f) 1. c. of the statutes is amended to read:

1 238.15 (1) (f) 1. c. Services that are enabled by applying proprietary
2 differentiating technology.

3 History: 2003 a. 255; 2005 a. 49, 97; 2007 a. 20, 125; 2009 a. 2, 265, 276; 2011 a. 32 s. 3356; Stats. 2011 s. 238.15; 2011 a. 213.

3 SECTION 3. 238.15 (1) (f) 2. of the statutes is amended to read:

4 238.15 (1) (f) 2. It is undertaking pre-commercialization activity related to
5 proprietary differentiating technology that includes conducting research,
6 developing a new product or business process, or developing a service that is
7 principally reliant on applying proprietary differentiating technology.

8 History: 2003 a. 255; 2005 a. 49, 97; 2007 a. 20, 125; 2009 a. 2, 265, 276; 2011 a. 32 s. 3356; Stats. 2011 s. 238.15; 2011 a. 213.

8 SECTION 4. 238.15 (1) (f) 3. of the statutes is created to read:

9 238.15 (1) (f) 3. It is a technology-based physician and health care consulting
10 business.

11 SECTION 5. 238.15 (1) (f) 4. of the statutes is created to read:

12 238.15 (1) (f) 4. It is a retailer for whom at least 51 percent of its annual sales
13 originate on the Internet.

14 SECTION 6. 238.15 (1) (L) of the statutes is amended to read:

15 238.15 (1) (L) For taxable years beginning after December 31, 2010, it has not
16 received more than \$8,000,000 \$12,000,000 in investments that have qualified for
17 tax credits under ss. 71.07 (5b) and (5d), 71.28 (5b), 71.47 (5b), and 76.638.

18 History: 2003 a. 255; 2005 a. 49, 97; 2007 a. 20, 125; 2009 a. 2, 265, 276; 2011 a. 32 s. 3356; Stats. 2011 s. 238.15; 2011 a. 213.

18 SECTION 7. 238.15 (3) (d) (intro.) of the statutes is amended to read:

19 238.15 (3) (d) Rules Administration. (intro.) The corporation, in consultation
20 with the department of revenue, shall adopt rules establish policies and procedures
21 to administer this section. ~~The rules~~ and shall further define "bona fide angel
22 investment" for purposes of s. 71.07 (5d) (a) 1. ~~The rules shall limit the aggregate~~
23 amount of tax credits under s. 71.07 (5d) that may be claimed for investments in
24 businesses certified under sub. (1) ~~at \$3,000,000 per calendar year for calendar years~~

1 ~~beginning after December 31, 2004, and before January 1, 2008, \$5,500,000 per~~
2 ~~calendar year for calendar years beginning after December 31, 2007, and before~~
3 ~~January 1, 2010, \$6,500,000 for calendar year 2010, and \$20,000,000 per calendar~~
4 ~~year for calendar years beginning after December 31, 2010, plus, for taxable years~~
5 ~~beginning after December 31, 2010, an additional \$250,000 for tax credits that may~~
6 ~~be claimed for investments in nanotechnology businesses certified under sub. (1).~~
7 ~~The rules shall also limit the aggregate amount and of the tax credits under ss. 71.07~~
8 ~~(5b), 71.28 (5b), 71.47 (5b), and 76.638 that may be claimed for investments paid to~~
9 ~~fund managers certified under sub. (2) at \$3,500,000 per calendar year for calendar~~
10 ~~years beginning after December 31, 2004, and before January 1, 2008, \$6,000,000 per~~
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12 ~~January 1, 2010, \$8,000,000 for calendar year 2010, and \$20,500,000 is \$30,000,000~~
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17 ~~also provide that, for calendar years beginning after December 31, 2007, a person~~
18 ~~who receives a credit under ss. 71.07 (5b) and (5d), 71.28 (5b), 71.47 (5b), or 76.638~~
19 ~~must keep the investment in a certified business, or with a certified fund manager,~~
20 ~~for no less than 3 years, unless the person's investment becomes worthless, as~~
21 ~~determined by the corporation, during the 3-year period or the person has kept the~~
22 ~~investment for no less than 12 months and a bona fide liquidity event, as determined~~
23 ~~by the corporation, occurs during the 3-year period. The rules policies and~~
24 ~~procedures shall permit the corporation to reallocate credits under this section that~~

25 are unused in any calendar year to a person eligible for tax benefits, as defined under
26 s. 238.16 (1) (d), if all of the following apply:

History: 2003 a. 255; 2005 a. 49, 97; 2007 a. 20, 125; 2009 a. 2, 265, 276; 2011 a. 32 s. 3356; Stats. 2011 s. 238.15; 2011 a. 213.

27 **SECTION 8.** 238.15 (3) (e) of the statutes is amended to read:

28 238.15 (3) (e) *Transfer*. A person who is eligible to claim a credit under s. 71.07
29 (5b) or (5d), 71.28 (5b), 71.47 (5b), or 76.638 may sell or otherwise transfer the credit
30 to another person who is subject to the taxes or fees imposed under s. 71.02, 71.23,
31 71.47, or subch. III of ch. 76, if the person receives prior authorization from the
32 investment fund manager, for a credit under s. 71.07 (5b), 71.28 (5b), 71.47 (5b), or
33 76.638, and the investment fund manager then, or the claimant under s. 71.07 (5d)
34 for the sale or other transfer of a credit under s. 71.07 (5d), notifies the corporation
35 and the department of revenue of the transfer and submits with the notification a
36 copy of the transfer documents. No person may sell or otherwise transfer a credit as
37 provided in this paragraph more than once in a 12-month period. The corporation
38 may charge any person selling or otherwise transferring a credit under this
39 paragraph a fee equal to ~~1~~ 5 percent of the credit amount sold or transferred.

History: 2003 a. 255; 2005 a. 49, 97; 2007 a. 20, 125; 2009 a. 2, 265, 276; 2011 a. 32 s. 3356; Stats. 2011 s. 238.15; 2011 a. 213.

40 **SECTION 9.** 71.07 (5d) (a) 1. (intro.) of the statutes is amended to read:

41 71.07 (5d) (a) 1. (intro.) "Bona fide angel investment" means a purchase of an
42 equity interest, or any other expenditure, as determined by rule under s. 238.15 or
43 s. 560.205, 2009 stats., that is made by any of the following:

44 **SECTION 10.** 238.16 (4) (c) of the statutes is amended to read:

45 238.16 (4) (c) Subject to a reallocation by the corporation pursuant to rules
46 policies and procedures adopted under s. 238.15 (3) (d), the corporation may allocate
47 up to \$5,000,000 in tax benefits under this section in any calendar year, except that

out of order

move to p. 17

48 ~~beginning on July 1, 2011, the corporation may allocate up to \$10,000,000 in tax~~
49 ~~benefits under this section in any calendar year.~~

***NOTE: Are these changes okay? MPG ✓

50 **SECTION 11.** 238.303 (1) (a) of the statutes is amended to read:

51 238.303 (1) (a) Except as provided in pars. (am) and (b), and subject to a
52 reallocation by the corporation pursuant to rules adopted under s. 238.15 (3) (d), the
53 total tax benefits available to be allocated by the corporation under ss. 238.301 to
54 238.306 may not exceed the sum of the tax benefits remaining to be allocated under
55 s. 560.71 to 560.785, 2009 stats., s. 560.797, 2009 stats., s. 560.798, 2009 stats., s.
56 560.7995, 2009 stats., and s. 560.96, 2009 stats., on March 6, 2009, plus
57 \$100,000,000.

58

(END)

Gallagher, Michael

From: Quinn, Brian D - DOA <Brian.Quinn@wisconsin.gov>
Sent: Tuesday, January 27, 2015 12:41 PM
To: Gallagher, Michael
Subject: Angel Credit Modifications 0996/P1

Mike,

I just can't stop torturing you, evidently.

A few changes. DOR feels that the language related to prohibited businesses needs changing (not in the bill, but should probably be included):

“(g) It is not primarily engaged in real estate development, insurance, banking, lending, lobbying, political consulting, professional services provided by attorneys, accountants, business consultants, physicians, or health care consultants except for technology-based health care consultants, wholesale or retail trade except retailers for whom at least 51 percent of annual income originates on the Internet, leisure, hospitality, transportation, or construction, except construction of power production plants that derive energy from a renewable resource, as defined in s. 196.378 (1) (h).”

Section 7 – DOR suggests making this portion apply as follows: "Beginning after December 31, 2014, any business that has not received more than \$12,000,000 in investments, with no more than \$8 million of those investments occurring in taxable years beginning before January 1, 2015."

Similarly, with Section 9, they suggest specifying that transferability would only apply for credits certified on or after January 1, 2015.

In both cases this is to prevent retroactivity issues that could get messy.

I think that's all for this one.

Brian Quinn
Executive Policy and Budget Analyst - Senior
Wisconsin Department of Administration
Division of Executive Budget and Finance
(608)-266-1923
Brian.quinn@wisconsin.gov



Stays & cjs

DOA:.....Quinn, BB0320 - Angel and Early Stage Business Tax Credit
Modifications

FOR 2015-2017 BUDGET -- NOT READY FOR INTRODUCTION

SA ✓

Angel

132

do NOT gen

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8 devices, pharmaceuticals, computer software, computer hardware, semiconductors,

1 any other innovative technology products, or other products that are produced using
2 manufacturing methods that are enabled by applying ~~proprietary~~ differentiating
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and before January 1, 2015

17-18-19-20-21-22-23-24-25

NO STRIKE

Handwritten notes at the bottom of the page, including "Work made" and "15".

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 9 71.47, or subch. III of ch. 76, if the person receives prior authorization from the
 10 investment fund manager, for a credit under s. 71.07 (5b), 71.28 (5b), 71.47 (5b), or
 11 76.638, and the investment fund manager then, or the claimant under s. 71.07 (5d)
 12 for the sale or other transfer of a credit under s. 71.07 (5d), notifies the corporation
 13 and the department of revenue of the transfer and submits with the notification a
 14 copy of the transfer documents. No person may sell or otherwise transfer a credit as
 15 provided in this paragraph more than once in a 12-month period. The corporation
 16 may charge any person selling or otherwise transferring a credit under this
 17 paragraph a fee equal to ~~1~~ 5 percent of the credit amount sold or transferred.

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6 560.7995, 2009 stats., and s. 560.96, 2009 stats., on March 6, 2009, plus
7 \$100,000,000.

8

(END)

**2015-2016 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0996/P2ins
MPG:kjf:jf

1 INSERT 2-17

2 **SECTION 1.** 238.15 (1) (g) of the statutes is amended to read:

3 238.15 (1) (g) It is not primarily engaged in real estate development;
4 insurance; banking; lending; lobbying; political consulting; professional services
5 provided by attorneys, accountants, business consultants, physicians, or health care
6 consultants, except technology-based physician or health care consultants;
7 wholesale or retail trade, except retailers for whom at least 51 percent of annual
8 income originates on the Internet; leisure; hospitality; transportation; or
9 construction, except construction of power production plants that derive energy from
10 a renewable resource, as defined in s. 196.378 (1) (h).

11 History: 2003 a. 255; 2005 a. 49, 97; 2007 a. 20, 125; 2009 a. 2, 265, 276; 2011 a. 32 s. 3356; Stats. 2011 s. 238.15; 2011 a. 213.

11 END INSERT 2-17

12 INSERT 2-21

13 **SECTION 2.** 238.15 (1) (Lg) of the statutes is created to read:

14 238.15 (1) (Lg) For taxable years beginning after December 31, 2014, it has not
15 received more than \$12,000,000 in investments that have qualified for tax credits
16 under ss. 71.07 (5b) and (5d), 71.28 (5b), 71.47 (5b), and 76.638, and no more than
17 \$8,000,000 of those investments were received in taxable years beginning before
18 January 1, 2015. ←

19 END INSERT 2-21



State of Wisconsin
2015 - 2016 LEGISLATURE

LRB-0996/P2
MPG:kjf&cjs:jm

due TODAY

DOA:.....Quinn, BB0320 - Angel and Early Stage Business Tax Credit
Modifications

FOR 2015-2017 BUDGET -- NOT READY FOR INTRODUCTION

1P3

✓ do not gen
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6 differentiating technology.

7 **SECTION 4.** 238.15 (1) (f) 2. of the statutes is amended to read:

8 238.15 (1) (f) 2. It is undertaking pre-commercialization activity related to
9 ~~proprietary~~ differentiating technology that includes conducting research,
10 developing a new product or business process, or developing a service that is
11 principally reliant on applying ~~proprietary~~ differentiating technology.

12 **SECTION 5.** 238.15 (1) (f) 3. of the statutes is created to read:

13 238.15 (1) (f) 3. It is a technology-based physician and health care consulting
14 business.

15 **SECTION 6.** 238.15 (1) (f) 4. of the statutes is created to read:

16 238.15 (1) (f) 4. It is a retailer for whom at least 51 percent of its annual sales
17 originate on the Internet.

18 **SECTION 7.** 238.15 (1) (g) of the statutes is amended to read:

19 238.15 (1) (g) It is not primarily engaged in real estate development;
20 insurance; banking; lending; lobbying; political consulting; professional services
21 provided by attorneys, accountants, business consultants, physicians, or health care
22 consultants, except technology-based physician or health care consultants;
23 wholesale or retail trade, except retailers for whom at least 51 percent of annual
24 income originates on the Internet; leisure; hospitality; transportation; or

1 construction, except construction of power production plants that derive energy from
2 a renewable resource, as defined in s. 196.378 (1) (h).

3 SECTION 8. 238.15 (1) (L) of the statutes is amended to read:

4 238.15 (1) (L) For taxable years beginning after December 31, 2010 and before
5 January 1, 2015, it has not received more than \$8,000,000 in investments that have
6 qualified for tax credits under ss. 71.07 (5b) and (5d), 71.28 (5b), 71.47 (5b), and
7 76.638.

8 SECTION 9. 238.15 (1) (Lg) of the statutes is created to read:

9 238.15 (1) (Lg) For taxable years beginning after December 31, 2014, it has not
10 received more than \$12,000,000 in investments that have qualified for tax credits
11 under ss. 71.07 (5b) and (5d), 71.28 (5b), 71.47 (5b), and 76.638.

12 SECTION 10. 238.15 (3) (d) (intro.) of the statutes is amended to read:

13 ~~238.15 (3) (d) *Rules Administration*. (intro.) The corporation, in consultation~~
14 ~~with the department of revenue, shall adopt rules establish policies and procedures~~
15 ~~to administer this section. The rules and shall further define "bona fide angel~~
16 ~~investment" for purposes of s. 71.07 (5d) (a) 1. The rules shall limit the aggregate~~
17 ~~amount of tax credits under s. 71.07 (5d) that may be claimed for investments in~~
18 ~~businesses certified under sub. (1) at \$3,000,000 per calendar year for calendar years~~
19 ~~beginning after December 31, 2004, and before January 1, 2008, \$5,500,000 per~~
20 ~~calendar year for calendar years beginning after December 31, 2007, and before~~
21 ~~January 1, 2010, \$6,500,000 for calendar year 2010, and \$20,000,000 per calendar~~
22 ~~year for calendar years beginning after December 31, 2010, plus, for taxable years~~
23 ~~beginning after December 31, 2010, an additional \$250,000 for tax credits that may~~
24 ~~be claimed for investments in nanotechnology businesses certified under sub. (1).~~
25 ~~The rules shall also limit the aggregate amount and of the tax credits under ss. 71.07~~

1 (5b), 71.28 (5b), 71.47 (5b), and 76.638 that may be claimed for investments paid to
2 fund managers certified under sub. (2) at ~~\$3,500,000 per calendar year for calendar~~
3 ~~years beginning after December 31, 2004, and before January 1, 2008, \$6,000,000 per~~
4 ~~calendar year for calendar years beginning after December 31, 2007, and before~~
5 ~~January 1, 2010, \$8,000,000 for calendar year 2010, and \$20,500,000 is \$30,000,000~~
6 ~~per calendar year for calendar years beginning after December 31, 2010, plus, for~~
7 ~~taxable years beginning after December 31, 2010, an additional \$250,000 for tax~~
8 ~~credits that may be claimed for investments in nanotechnology businesses certified~~
9 ~~under sub. (1). The rules policies and procedures established under this section shall~~
10 ~~also provide that, for calendar years beginning after December 31, 2007, a person~~
11 ~~who receives a credit under ss. 71.07 (5b) and (5d), 71.28 (5b), 71.47 (5b), or 76.638~~
12 ~~must keep the investment in a certified business, or with a certified fund manager,~~
13 ~~for no less than 3 years, unless the person's investment becomes worthless, as~~
14 ~~determined by the corporation, during the 3-year period or the person has kept the~~
15 ~~investment for no less than 12 months and a bona fide liquidity event, as determined~~
16 ~~by the corporation, occurs during the 3-year period. The rules policies and~~
17 ~~procedures shall permit the corporation to reallocate credits under this section that~~
18 ~~are unused in any calendar year to a person eligible for tax benefits, as defined under~~
19 ~~s. 238.16 (1) (d), if all of the following apply:~~

20 **SECTION 11.** 238.15 (3) (e) of the statutes is amended to read:

21 238.15 (3) (e) *Transfer.* A person who is eligible to claim a credit under s. 71.07
22 (5b) or (5d), 71.28 (5b), 71.47 (5b), or 76.638 may sell or otherwise transfer the credit
23 to another person who is subject to the taxes or fees imposed under s. 71.02, 71.23,
24 71.47, or subch. III of ch. 76, if the person was certified to claim the credit after
25 December 31, 2014 and if the person receives prior authorization from the

1 investment fund manager, for a credit under s. 71.07 (5b), 71.28 (5b), 71.47 (5b), or
2 76.638, and the investment fund manager then, or the claimant under s. 71.07 (5d)
3 for the sale or other transfer of a credit under s. 71.07 (5d), notifies the corporation
4 and the department of revenue of the transfer and submits with the notification a
5 copy of the transfer documents. No person may sell or otherwise transfer a credit as
6 provided in this paragraph more than once in a 12-month period. The corporation
7 may charge any person selling or otherwise transferring a credit under this
8 paragraph a fee equal to ~~1~~ 5 percent of the credit amount sold or transferred.

9 **SECTION 12.** 238.16 (4) (c) of the statutes is amended to read:

10 238.16 (4) (c) Subject to a reallocation by the corporation pursuant to ~~rules~~
11 policies and procedures adopted under s. 238.15 (3) (d), the corporation may allocate
12 up to \$5,000,000 ~~in tax benefits under this section in any calendar year, except that~~
13 ~~beginning on July 1, 2011, the corporation may allocate up to~~ \$10,000,000 in tax
14 benefits under this section in any calendar year.

15 **SECTION 13.** 238.303 (1) (a) of the statutes is amended to read:

16 238.303 (1) (a) Except as provided in pars. (am) and (b), and subject to a
17 reallocation by the corporation ~~pursuant to rules adopted~~ under s. 238.15 (3) (d), the
18 total tax benefits available to be allocated by the corporation under ss. 238.301 to
19 238.306 may not exceed the sum of the tax benefits remaining to be allocated under
20 s. 560.71 to 560.785, 2009 stats., s. 560.797, 2009 stats., s. 560.798, 2009 stats., s.
21 560.7995, 2009 stats., and s. 560.96, 2009 stats., on March 6, 2009, plus
22 \$100,000,000.

23 (END)



State of Wisconsin
2015 - 2016 LEGISLATURE

LRB-0996/P3
MPG:kjf&cjs:jf

DOA:.....Quinn, BB0320 – Angel and Early Stage Business Tax Credit
Modifications

FOR 2015-2017 BUDGET -- NOT READY FOR INTRODUCTION

1 **AN ACT ...; relating to:** the budget.

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a subsequent version of this draft.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 **SECTION 1.** 71.07 (5d) (a) 1. (intro.) of the statutes is amended to read:

3 71.07 (5d) (a) 1. (intro.) “Bona fide angel investment” means a purchase of an
4 equity interest, or any other expenditure, as determined by rule under s. 238.15 or
5 s. 560.205, 2009 stats., that is made by any of the following:

6 **SECTION 2.** 238.15 (1) (f) 1. b. of the statutes is amended to read:

7 238.15 (1) (f) 1. b. Processing or assembling products, including medical
8 devices, pharmaceuticals, computer software, computer hardware, semiconductors,

1 any other innovative technology products, or other products that are produced using
2 manufacturing methods that are enabled by applying ~~proprietary~~ differentiating
3 technology.

4 SECTION 3. 238.15 (1) (f) 1. c. of the statutes is amended to read:

5 238.15 (1) (f) 1. c. Services that are enabled by applying ~~proprietary~~
6 differentiating technology.

7 SECTION 4. 238.15 (1) (f) 2. of the statutes is amended to read:

8 238.15 (1) (f) 2. It is undertaking pre-commercialization activity related to
9 ~~proprietary~~ differentiating technology that includes conducting research,
10 developing a new product or business process, or developing a service that is
11 principally reliant on applying ~~proprietary~~ differentiating technology.

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16 238.15 (1) (f) 4. It is a retailer for whom at least 51 percent of its annual sales
17 originate on the Internet.

18 SECTION 7. 238.15 (1) (g) of the statutes is amended to read:

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15 to another person who is subject to the taxes or fees imposed under s. 71.02, 71.23,
16 71.47, or subch. III of ch. 76, if the person was certified to claim the credit after
17 December 31, 2014 and if the person receives prior authorization from the
18 investment fund manager, for a credit under s. 71.07 (5b), 71.28 (5b), 71.47 (5b), or
19 76.638, and the investment fund manager then, or the claimant under s. 71.07 (5d)
20 for the sale or other transfer of a credit under s. 71.07 (5d), notifies the corporation
21 and the department of revenue of the transfer and submits with the notification a
22 copy of the transfer documents. No person may sell or otherwise transfer a credit as
23 provided in this paragraph more than once in a 12-month period. The corporation
24 may charge any person selling or otherwise transferring a credit under this
25 paragraph a fee equal to ~~1~~ 5 percent of the credit amount sold or transferred.

