

Fiscal Estimate - 2023 Session

Original Updated Corrected Supplemental

LRB Number 23-5347/1		Introduction Number SB-0883	
Description modifying the certification criteria to be a qualified new business venture			
Fiscal Effect			
State:			
<input checked="" type="checkbox"/> No State Fiscal Effect			
<input type="checkbox"/> Indeterminate			
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Increase Existing Revenues	
<input type="checkbox"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget	
		<input type="checkbox"/> Yes <input type="checkbox"/> No	
		<input type="checkbox"/> Decrease Costs	
Local:			
<input type="checkbox"/> No Local Government Costs			
<input type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs		3. <input type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs		4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected			
<input type="checkbox"/> Towns		<input type="checkbox"/> Village <input type="checkbox"/> Cities	
<input type="checkbox"/> Counties		<input type="checkbox"/> Others	
<input type="checkbox"/> School Districts		<input type="checkbox"/> WTCS Districts	
Fund Sources Affected		Affected Ch. 20 Appropriations	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS			
Agency/Prepared By		Authorized Signature	Date
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Fiscal Estimate Narratives

WEDC 1/16/2024

LRB Number	23-5347/1	Introduction Number	SB-0883	Estimate Type	Original
Description modifying the certification criteria to be a qualified new business venture					

Assumptions Used in Arriving at Fiscal Estimate

This bill modifies one of the criteria that a business must meet to be certified as a qualified new business venture by the Wisconsin Economic Development Corporation.

Under current law, the angel investment tax credit and the early stage seed investment tax credit are available to claimants making eligible investments in qualified new business ventures that are certified by WEDC. Under current law, one criterion for certification is that the business has the potential for increasing jobs or capital investment in Wisconsin and is either:

1. Engaged in, or committed to engage in, innovation in any of the following:
 - a. Manufacturing, biotechnology, nanotechnology, communications, agriculture, or clean energy creation or storage technology.
 - b. Processing or assembling products, including medical devices, pharmaceuticals, computer software and hardware, semiconductors, and other innovative technology products, or other products that are produced using manufacturing methods that are enabled by applying differentiating technology.
 - c. Services that are enabled by applying differentiating technology.
2. Undertaking pre-commercialization activity related to differentiating technology that includes conducting research, developing a new product or business process, or developing a service that is principally reliant on applying differentiating technology.

The bill repeals item 1 and maintains item 2. As such, under the bill, one criterion that a business must meet for certification as a qualified new business venture is that it has the potential for increasing jobs or capital investment in Wisconsin and is undertaking pre-commercialization activity related to differentiating technology that includes conducting research, developing a new product or business process, or developing a service that is principally reliant on applying differentiating technology.

In removing item 1, this change will limit eligibility for the program. The corporation assumes the reduced requirements may lead to reduced utilization of the program.

Long-Range Fiscal Implications