



State of Wisconsin  
2011 - 2012 LEGISLATURE



LRBs0198/1  
MPG:jld&nwn:ph

**ASSEMBLY SUBSTITUTE AMENDMENT 1,  
TO 2011 ASSEMBLY BILL 90**

October 10, 2011 – Offered by Representative CLARK.

1 **AN ACT to create** 238.14 of the statutes; **relating to:** entrepreneurial tax credit  
2 access grants.

---

***Analysis by the Legislative Reference Bureau***

Under current law, the Wisconsin Economic Development Corporation (WEDC) may certify a person to receive, or a person may otherwise qualify for, income and franchise tax credits based on the person's expenditures in this state related to the person's business. This substitute amendment directs WEDC to establish a grant program under which WEDC may award a grant to a person who wishes to secure financing to make expenditures that would qualify for such tax credits. A person is eligible to receive a grant if the expenditures are made for a business located in this state that has fewer than 25 employees in this state or less than \$5,000,000 in gross receipts. No person may receive a grant unless the person has submitted business and financing plans to a commercial lending institution and submitted copies of the plans to WEDC. Before awarding a grant, WEDC must verify that the lender has approved the person's plans and will underwrite a loan for expenditures, contingent on the person receiving a grant. Under the substitute amendment, a person who

receives a grant to secure financing for making an expenditure that would qualify for a tax credit may not claim a credit for that expenditure.

---

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

1           **SECTION 1.** 238.14 of the statutes is created to read:

2           **238.14 Entrepreneurial tax credit access grants.** (1) The corporation  
3 shall establish and administer a program to make grants under this section. The  
4 corporation may award a grant under the program to a person who intends to use the  
5 grant to secure financing for making expenditures that would qualify for a credit  
6 under s. 71.07 (2dy), (3g) (a) 2., (3n), (3p), (3r), (3rm), or (3rn), 71.28 (1dy), (3g) (a)  
7 2., (3n), (3p), (3r), (3rm), or (3rn), or 71.47 (1dy), (3g) (a) 2., (3n), (3p), (3r), (3rm), or  
8 (3rn), if the expenditures are made for a business located in this state that has fewer  
9 than 25 employees in this state or less than \$5,000,000 in gross receipts for the  
10 taxable year in which the person applies for a grant under this section.

11           (2) Any person who wishes to receive a grant under this section shall complete  
12 and submit an application to the corporation and enter into an agreement with the  
13 corporation to use the grant to secure financing for making expenditures described  
14 under sub. (1) and to repay any or all of the grant proceeds to the corporation if the  
15 person fails to comply with the agreement. An agreement under this subsection may  
16 provide that repayment shall be obtained through full or partial repayment of the  
17 principal amount of the grant plus interest, through receipt of a share of future  
18 profits from or an interest in a product or process, or through any other appropriate  
19 means.

20           (3) (a) No person may receive a grant under this section unless the person has  
21 submitted business and financing plans to a commercial lending institution and

1 submitted copies of the plans to the corporation. Before awarding a grant, the  
2 corporation shall verify that the lender has approved the person's plans and will  
3 underwrite a loan for expenditures described under sub. (1), contingent on the  
4 person receiving a grant under this section.

5 (b) The amount of any grant awarded under this section is the amount equal  
6 to 95 percent of the tax credit that the recipient could otherwise receive for making  
7 expenditures described under sub. (1), except that the amount of the grant may not  
8 exceed an amount equal to 20 percent of the cost of the project that is being financed.

9 (c) The corporation shall require, as a condition of the grant, that the recipient  
10 contribute to a project an amount that is not less than the amount the recipient  
11 receives as a grant under this section.

12 (4) A person who receives a grant under this section to secure financing for  
13 making an expenditure described under sub. (1) may not claim a credit under s. 71.07  
14 (2dy), (3g) (a) 2., (3n), (3p), (3r), (3rm), or (3rn), 71.28 (1dy), (3g) (a) 2., (3n), (3p), (3r),  
15 (3rm), or (3rn), or 71.47 (1dy), (3g) (a) 2., (3n), (3p), (3r), (3rm), or (3rn) for that  
16 expenditure.

17 (5) (a) The corporation shall pay grants under this section from the  
18 appropriation under s. 20.192 (1) (r). The total amount that the corporation may  
19 award under this section in a fiscal year is \$8,000,000.

20 (b) The corporation shall establish policies and procedures to administer this  
21 section.

22 (c) The corporation may not award grants under this section after January 1,  
23 2015.

24

(END)