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ASSEMBLY SUBSTITUTE AMENDMENT 1, TO ASSEMBLY BILL 932

February 8, 2024 - Offered by Representative WITTKE.

- 1 AN ACT to repeal 238.15 (1) (f) 1.; and to create 238.15 (1) (f) 1m. of the statutes;
- 2 **relating to:** modifying the certification criteria to be a qualified new business

Analysis by the Legislative Reference Bureau

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 or hardware, semiconductors, any 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.

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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 replaces item 1 with the option for a business to qualify under the above criterion if the business is engaged in, or has committed to engage in, innovation, if the innovation involves the development of a differentiating technology, product, service, or production process.

The bill first applies to a business initially certified for the angel investment tax credit or the early stage seed investment tax credit on the effective date of the bill.

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

Section 1. 238.15 (1) (f) 1. of the statutes is repealed.

Section 2. 238.15 (1) (f) 1m. of the statutes is created to read:

238.15 (1) (f) 1m. It is engaged in, or has committed to engage in, innovation, if the innovation involves the development of a differentiating technology, product, service, or production process.

Section 3. Initial applicability.

(1) This act first applies to a business that is first certified under s. 238.15 (1) on the effective date of this subsection.

9 (END)